

Clearance through Customs: Memories of a Customs Officer

R. Jayaraman, M.A. IRS



Clearance through Customs: Memoirs of a Customs Officer

R. Jayaraman

Invocation



*With prayers to Lord Ganesha and after paying homage to
Shirdi Sai Baba, I am writing the memoirs*

October, 2009

Dedication



Dedicated to my beloved (late) father, who was my friend, philosopher and guide, to my affectionate brother and to my beloved wife and children, who stood by me, by supporting me in my efforts to remain upright and straightforward in my entire career.

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To

My Dearest Friend Jayaraman (On the occasion of your successful completion of your "Memoirs")

"To thine ownself be true" – the motto of the High School where I had my education – is best exemplified by you as the "soliloquy" which you have authored, would show.

Born miles apart and of parents who lived in distant parts of India – and of ethnically different origins – You and I chanced to run into each other in the portals of our *alma mater*, Madras Christian College, in 1952 – when we were both seventeen. Since then, there has been a "oneness" in our lives, which has transcended every barrier of caste, creed or position. In fact, your father, a wise lawyer from Pudukkottai (in Tamilnadu), whose knowledge, wisdom and wit were acclaimed by many of his equals (he could cite from memory, with great delight, pages after pages of "Pickwick Papers" particularly where Charles Dickens describes the "Court" Scenes, which time and again, left me in great despair, in not being able to respond to him on such occasions), has always treated me as his third son – after Acha (Natarajan) and you, much to the surprise (and, perhaps, indignation) of some of your close relatives.

Since 1952 to the present day, we have been friend, philosopher and guide to each-other in every walk of life. We have had, of course, our differences, arising more out of our attitudes than of principles. Having occupied posts in the higher echelons of the Indian Revenue Service, discipline and

obedience were your demands, while, having been a lawyer all my life, rigidity in action was never my forte. Conciliation (now a method propagated for resolution of disputes) was always part of my character. Nevertheless, such differences between us were few and far between and, at the end of the day, we were both wiser.

It is, today, only an irony that, while you enjoy your period of relaxation after demitting office, where you always had huge responsibilities heaped on you, I shall remain the old battle horse going on and on, not knowing when and how to call it a day after battling so long for so many men and their causes. May the day soon come when we can spend our days together, with all happy recollections of the past.

M. CHANDRASEKHARAN
17th NOVEMBER, 2009

Preface

I do not claim to be a celebrity famous enough to write an autobiography. The events that I am recollecting now, are not exhaustive, but only a few which are vivid in my memory, during the course of my long 40 years in the Customs & Central Excise Department.

After my graduation with an M.A degree in Economics from Madras Christian College, I was assured of a job in the Indian Statistical Institute, Kolkata, by my Professor, where he had joined as the Director. But destiny had other plans for me. To my misfortune my professor died of sunstroke, soon after joining that organisation. My hope of joining that prestigious organisation on a good salary did not come through. I was therefore required to do odd jobs, before I got a call for writing the examination for recruitment of Upper Division Clerk in Madras Customs House. I got selected for that post. When I joined that post, I thought it would be a stop-gap arrangement, but I got stuck in the department for 40 years. My experience in these 40 years is worthy of sharing with my family members and friends close to me.

Hence these memoirs.

ENTRY AT THE BOTTOM OF THE SERVICE

CHAPTER

1

In the year 1956, I arrived as an Upper Division Clerk in Madras Customs House on a princely salary of Rs. 150/- per month, which was just adequate to run a bachelor's life in Chennai. I and my former hostel-mate in Heber Hall shared the accommodation, which we had to shift often due to exigencies, as they arose. This period spent in penury closely knit my friendship with my hostel- and room-mate by name Shri M. Chandrasekharan, who later became a successful lawyer and rose to the position of Additional Solicitor General of India. While Chandrasekharan was pursuing his law course, I was driving the quill in Madras Custom House. Both of us shared the joy of poverty, which brought us close to each other. I cannot forget this period of my life, which earned me, my lifelong friend.

For more than a couple of years, I was stuck in the clerical position. I was posted to the Main Section of the Appraising Section as a drafting clerk. Possibly, my style of writing and knowledge of English impressed the then Collector of Customs, who was an Englishman and an officer from the erstwhile Imperial Customs Service. I was assigned the job of dealing with the correspondence received from the Central Board of Customs and Excise and preparing the draft replies to the Board, to be signed by the Collector.

In that position, I had to deal with an awkward situation, narrated below. The issue, on which a detailed reference was made to the Board, related to the classification of "needle bearings" – whether they are classifiable as ball bearings or otherwise. Although literature, etc, were sent to the Board along with the reference signed by the Collector, this letter was disposed of in a casual manner by the Under Secretary in the Board's Office, by stating that the distinction between ball bearings and needle bearings should be clearly spelt. When the letter was seen by the Collector at the ~~dark~~ *dark* stage; he wrote on the letter, in his imitable style, thus: "Tell the Board that the distinction lies in 'balls'".

I was at a loss to find a way as to how a reply to the Under Secretary's letter could be sent. When I consulted my Superintendent in charge of the Main Section, he also could not help, and left it to me to send a suitable reply, which he would sign instead of putting up the draft to the Collector. Thereupon, I prepared a draft with the prefix, "I am directed to reply to the Board's letter and to communicate to the Collector's remarks on the said reference as below: 'Tell the Board that the distinction lies in 'balls'". Although the predicament was thus overcome at our level, I don't know what the reaction was in the Board's office. However, the Collector, at a later date when on perusal of the file, had a good laugh and remarked that it was a fitting reply since it was correct technically and also met the specific query.

After my initial stint in the Appraising Main Section, I was posted in Appraising group, where I could gain considerable knowledge of the nitty - gritty of assessments of customs duty and applicability of trade control policy on imported goods, thanks to the benevolence of the Appraisers, who enabled me to learn these matters, although they did not fall within the sphere of clerical work.

Even in the clerical posting, I had a good circle of friends, and enjoyed a lively office atmosphere. Particular mention should be made of Shri N. Subramaniam, Shri K. Subramanian (former called by us all as 'tall' Subramanian and the latter as 'short' Subramanian), Shri C. Rammohan and Shri K. Ramanathan. We used to go for lunch together in the nearby hotel, when some staff of the Custom House Agents' would come and sit along with us and order for many items on our behalf. We used to get wild with them, and tell them firmly to order whatever they wanted, and that we would pay the bill, rather than their ordering unwanted items for us under the assumption that they will pay our bill as well. This warded off the temptation of being corrupted by these petty offers.

As a group clerk in charge of air freight section, I was required to prepare the certificate giving the particulars of the cinematograph films imported by Rank Organisation (India) as per the documents presented along with the bill of entry. This was to be verified by the Examiner on physical examination of the films, and thereafter would be signed by the appraiser in-charge of the air freight section. Since

these films imported are meant for exhibition in India and re-export, the importers were required to furnish a Bond undertaking to re-export the films after completion of exhibition in India. In order to ensure that the same films that were imported are re-exported, the certificate issued at the time of import was required. These films were normally exhibited in Madras theatres like New Elphinstone, Minerva, and New Globe etc. Before re-export, the representative from the Rank Organisation used to extend the courtesy of giving passes for viewing the film at any one of the theatres. In that manner, I used to get passes for balcony seats for taking five persons along with me. My above friends would also accompany me, and enjoy the film. Thereafter, we would go for dinner either at Buharis or at a Chinese restaurant. At that time, they would make fun of me saying "Jayaraman accepted a bribe." I would defend myself against this, although I was not fully convinced of my arguments.

My next leap forward in the Customs House was that I was selected as Preventive Officer, Grade I in the year 1960 on the basis of my performance in the examinations conducted by the Customs House. My initial posting was in the docks, which was not much to my liking. Although there was no rampant corruption as noticed now, payment of "mamool" for speedy clearance was prevalent, which hardly a few officers refused to accept. I joined that group, under the impression that our strength would increase and the system of "mamool" could be eliminated. But to my dismay, when I returned after attending outdoor section work, I found my table to be clean, the documents having been signed by brother officers on getting the mamool, leaving only the clerical part of registering the documents to me. When I enquired as to why they signed the documents, they told me that even if I refused the mamool, the Customs House agents charge this amount from their customers.

So they wanted to prevent those agents from getting enriched at the expense of customs officers. A good explanation indeed, which I had to accept so as to maintain good relations with brother officers. In this context, I have to mention that quite a few Preventive Officers kept their hands clean by refusing to accept mamool, but this percentage was very low (It is another matter that in the present day, mamool has given way to large-scale bribes).

When I was working in the Rummaging Intelligence Section, I had to do the gangway guarding duty in the passenger vessels which used to ply between Chennai and Singapore/Penang. There was not much of international air traffic. Only Air Ceylon (now Air Lanka) flights carrying passengers from Colombo were touching Chennai airport. Heavy passenger traffic from Singapore and Penang was only through two vessels by name "Rajula" and "State of Madras". The passengers, instead of carrying baggage, used to bring heavy loads of cargo and claim the benefit of baggage rules. In those days of heavy trade control restrictions and high rates of Customs Duty, import of consumer goods in trade quantities was a formidable problem facing the customs officers. Particularly at the Gangway Duty, the officer has to be alert in preventing crew members and other visitors from taking out dutiable and restricted goods from the ship. I came across some crew members always wearing new shirts and pants going out after declaring the wristwatches and gold chains, they wore. When they returned after an hour or so, they were found in torn lungis and old shirts. I noticed this phenomenon in respect of a few crew members who went out quite often and returned in the above manner. This confirmed my doubts that they were taking out the wearing apparel in this manner for delivering to the shops in the well-known Burma Bazaar, thriving near the Chennai Customs house. I therefore made the crew members declare the new clothing worn by them while going out of the ship. In retrospect, I consider this act somewhat unacceptable, but blame is to be laid on the restrictive trade policy and high rates of Customs Duty prevalent in those days of protectionism, following Independence.

Another incident providing amusement which took place when I was working in the Intelligence Section comes to my mind. Intelligence Section of preventive department used to receive a number of anonymous letters from Singapore or Penang giving the particulars or names of passengers who would be attempting to smuggle trade goods in their baggage. These letters were received a few days before the arrival of the two passenger vessels. We would note down the names and passport numbers in a register, which would be carried to the baggage hall on the day of arrival of the passenger vessel. In order not to miss the suspect passengers about whom information had been received, we used to go on board the vessel, locate the suspect passengers on the ship and bring their baggage for detailed examination.

Once, when such an operation was undertaken, we came across a passenger who appeared to be well-educated; but figuring as a suspect in our list as per information received from Singapore. Before we asked him where his baggage was lying, he showed readily kept pieces and requested the custom employed porters to take them for detailed examination. Extreme cordiality and cooperation extended by him made us wonder why he was volunteering for a detailed scrutiny. After ransacking his baggage, we found nothing amiss in his baggage. We had no other alternative but to clear him without any detention of goods. Before he left, I asked him whether he had any enemy in Singapore; he laughed and told me that the anonymous letter was written by him only; because he was aware of the procedure followed by the Intelligence wing. If he had come in the normal queue, he would have had to wait for the whole day to get Customs clearance. So he thought out this idea of sending an anonymous complaint against himself. Thus he got a royal treatment and got himself cleared within one hour, and went out of the baggage hall, laughing all the way.

As I have mentioned earlier, my experience in the docks, manning the gates and the section was not to my liking. But I used to welcome night shifts at the gates, because those hours could be spent without any disturbance in preparing for the civil services examination conducted by UPSC for recruitment to Class I officers. As an Upper Division Clerk, I made two attempts in which I did not succeed. Though I got good marks in the written examinations, I could not get into the merit list because of the minimum prescribed for interview. Possibly, because of my lower middle class background, and my position as a clerk, I could not carry myself to fulfil the standards set by the interview Board. Having failed in the attempts in the prescribed age limits, I had no interest in taking the civil services examination. When I got the job of preventive officer, the condition of minimum qualifying marks prescribed for *viva voce* was removed. This prompted me to try my luck for the third time as a departmental candidate with age relaxation available to such candidates. That is how I made my final attempt in 1961.

In the meanwhile, I have to mention certain happenings in my personal life. My father was approached by a few affluent persons for marriage alliance with me, learning that I had come out successful in the written examinations of UPSC. But when the

final results came, wherein I did not figure in the merit list, they silently backed out. So, I did not want anyone to know about my final attempt and wanted to get married to a girl belonging to a family of ordinary means, like our family. My father selected the girl, and called me to see her. On my first encounter itself, I decided that this is the girl who would live with me throughout my life. My father was also very much pleased with this alliance. The marriage was fixed on 24 May, 1962. I was getting ready to leave for my native place along with my elder brother with whom I was living then. In order to make myself presentable as a bridegroom, before leaving for marriage, I went to the nearby hair dressing saloon. In front of the saloon, there was a newspaper vendor, where I found a poster proclaiming the publication of the UPSC civil services exam results. I dropped the visit to the saloon, and got the newspaper. With trembling hands, I went through the big list of more than 300 names. Finding that my name was not figuring in the last two pages, I lost all hope. But to my surprise, I found my name figuring in the first page, within 100

ranks. Thus, from a preventive officer, I was catapulted to become a Class I officer. Having been selected as a departmental candidate, I continued in the same department without any break in the service. My father, till his death, used to say that my wife only brought this turn of events, I agree that she not only brought me luck, but also extended full cooperation in facing my frequent transfers without murmur, standing by me in my efforts to keep myself above any temptation.



Fig 1: myself & vasanthi getting married

STEPPING TO HIGHER CADRE

CHAPTER

2

On getting relieved from the Madras Custom House, from the earthly and murky surrounding of the docks and the crowded Custom House, I proceeded to Mussoorie to join the National Academy of Administration, where I found a totally new atmosphere. I felt as though I was shifted to heaven from the hell. Five months of foundation course at the Academy prepared me to learn the art of administration, aspects of general law including law of evidence and political science. I felt a transformation having a bearing on my outlook and approach taking place in me during this period, thanks to my contact with brilliant and best brains in the five month course.

As I got down at Indra Bhavan, the hostel allotted to me, I was pounced upon by the tailors, shoe makers, paper vendors etc. The tailor started taking my measurements for making a blazer, dinner jacket etc. The shoe maker was taking the measurement for my sport shoes, shoes to be worn for formal dinner, canvas shoes for mountaineering. I didn't know how to pay for them. They told me that I need not worry and they would collect the money, on getting my first salary. On this assurance, I got every requirement without any worry of immediate payment. When my first salary was given, all these persons were at my door, and collected their dues, leaving hardly a ten rupee note with me. Thus the transformation in physical appearance took place, making me a presentable "babu; at considerable cost.



Fig 2: Myself Shri R. V. Pillai IAS, Shri K. Subramanian income tax service, Shri K. Srinath IAS



Fig 3: Myself with Shri A.N.Jha, Director of National Academy of Administration

On completion of the foundational course, I had my field training in Bangalore Collectorate of Central Excise for Central Excise, Madras Custom House for Customs and Gwalior and Ghazipur for Narcotics Control. The period of probation was one of travel from place to place. I was never exposed to such a cross country travel earlier. This experience helped me face the frequent transfers across the country, during my service tenure. The entire period of probation was a period of separation from my wife, which caused a great pain to both of us. However, whenever, during my travel, I was around my native place, I used to spend a couple of days with my wife and had my first child – a brilliant daughter, before completing my probation. Thus, I became a full-fledged family man, even before I completed my probation. During my field training in Central Excise I had the opportunity to travel all over Karnataka. Because of the levy of Central Excise duty on unmanufactured tobacco, coffee and tea, my travels extended to remote villages growing tobacco and coffee/tea estates. This gave me a good exposure in meeting various types of people particularly in villages around Nipani. I had to stay in houses that did not even have toilets. However, the people were extremely cordial and respectful, which compensated for the lack of amenities in those villages.

On completion of my probationary period, I was posted to Nasik as Superintendent of Central Excise Class I, Nasik Division.

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TRIALS BEFORE CROSSING THE EFFICIENCY BAR

CHAPTER

3

Efficiency bar is a technical jargon known to government servants entering the service. On crossing this bar, one is entitled to be placed in the higher regular grade of pay. This is given subject to the officer proving his efficiency in the service and on satisfactory completion of departmental examinations.

I was put to this test in my regular posting as Superintendent of Central Excise Class I, in Nasik initially and thereafter at Kolhapur in the state of Maharashtra.

At Nasik, which was my first place of posting, I had to manage a central excise circle covering Nasik and Dhulia districts. I was also given charge of administration of the Divisional Office, headed by an Assistant Collector of Central Excise. The Assistant Collector, who was my immediate superior, attained this position after serving many years in the ranks, and was on the verge of retirement from his service. He was more known for his tyrannical control of his subordinates. The number of disciplinary proceedings initiated by him against the staff earned him the sobriquet of "charge sheet Assistant Collector." Thus my starting point was none too happy. At this point, I remember a particular incident concerning the Assistant Collector. Those days, quite a few sepoys (Group 'D' officers) have been absorbed in Central Excise formations in Maharashtra, after Goa Customs border was removed on liberation of Goa from Portuguese control. These sepoys were used as house orderlies in the house of supervisory officers and they had no opportunity to learn office work. Moreover, those sepoys were not keen to do office work. They were happy in the home surroundings of their superior officers and were close to these officers' families. This earned them respect from other officers working in the office, who used to seek for favours from the boss through these sepoys.

However, in the case of the Assistant Collector in charge of Nasik Division, none of the sepoy was happy to work as orderly in his house. They were scared of the charge sheet, which they would face, in case their boss found any of their acts to cause his displeasure. One day, one of the sepoy, who worked as orderly in the Assistant Collector's house came and cried before me, pleading that he may be withdrawn from the orderly duty. On my enquiry, he told that he was asked to wash the garments of the daughter of Assistant Collector, which he refused to do. Thereupon, he was slapped by her. Had this happened now, the entire Group 'D' staff union would have brought the Administration to standstill. I asked him to give me a written letter, setting out the above happening, whereupon I not only shifted him from the duty as house orderly but also transferred and posted him to Dhulia – a town near his native village. The Assistant Collector, who was on tour, on his return, came to know of this. He barged into my room, shouting that I had no powers to transfer the sepoy. I pointed out to him in all humility that the sepoy had some personal problems and his presence was needed by his aged parents. So on the basis of his representation; I had transferred him to Dhule. I also referred to the office procedure manual containing the enabling provisions for the Superintendent in charge of Administration of the Divisional Office, to transfer seploys within the Division. He insisted on my putting the representation of the sepoy to him. I told him that, it would cause embarrassment to him. When he still pursued in the matter, I pulled out the sepoy's letter and showed it to him. His face became red and he went back to his room saying that he would fix me up and also the sepoy. Fortunately for me, next week, my collector based at Pune visited Nasik. The Assistant Collector complained to the Collector that I am indisciplined and was not shaping well. The Collector, before leaving Nasik, sent word for me. He wanted to know from me the reason for the Assistant Collector's adverse report against me. I showed him the letter from the sepoy and narrated the whole incident. Since the reputation of the Assistant Collector was known to the collector as a charge sheet master, the Collector asked me whether I would like to go out of his control. He also told me that since I was starting my career, it should not be marred by any adverse reports. I agreed to his proposal and that was how, I landed in Kolhapur in the same position, after serving about 1 year in Nasik.

Another incident, which happened, when I was at Nasik, taught me the first lesson in regard to my observance of a certain code of conduct in my official life. Under my charge, the famous (or notorious) Malegaon power looms were flourishing, benefiting both the master weavers and the local Central Excise officers. There was an excise exemption in respect of the units, having not more than two power looms. In order to be out of excise control, big units, with the connivance of excise officers, fragmented their looms into units of two, increasing the number of licensed units to more than 10,000 in Malegaon alone. This attracted my attention. I launched a drive against such fragmentation with the help of preventive staff based at Nasik. We carried out a number of searches in the premises of the real owners of the fragmented looms and recovered records showing that they were bearing all the expenses for running the looms licensed in the name of various persons.

One evening, as I was returning from the office, passing through a field to reach my house, one Muslim gentleman was following me, with a brief case in his hand. When I stopped, he also stopped. This confirmed my suspicion that he was after me. I turned back and asked him in Hindi as to why he was following me. He stretched out the briefcase and told that I can take the money kept in the box and release the documents seized from him. I was shocked. It was getting dark and there was no one nearby, whom I could call for help. I therefore told him to come to the office next day to meet me. Next day, before I reached the office, he was sitting in front of my room. I did not show having noticed him. As soon as I entered the room, I phoned to my batch mate – an IPS officer posted in the CID branch at Nasik, and narrated the incident. He told me to keep a watch over the Muslim gentleman and call him to the room only after the Inspector of Police reached the spot. Thus, a trap was laid to nab the Muslim gentleman for attempting to offer bribe to the government officer.

This was the beginning of my trouble. Every month, I used to get the summons from the court, which made me visit Nasik all the way from Kolhapur. During cross examination, the advocate representing the accused turned the tables against me, by suggesting that I asked his client to come to the office with more money since the money offered on my way home was not adequate. Prolonged hearings and

adjournments taught me a good lesson in the first stage of my career that if one wants to remain upright, it is his choice. But he may not attempt to reform others by initiating court proceedings. Finally, I got out of this mess because of the dismissal of the police case on the technical ground of lack of jurisdiction of State Government CID branch to lay the trap, where a central government officer is involved.

At Kolhapur, the Assistant Collector was also a direct recruit Class I officer, one batch senior to me by name D.P. Arya. My relationship with him was cordial. But he was physically very rough in dealing with smugglers and tax evaders. During my tenure as Superintendent in Kolhapur, I was also put on preventive duty. Once we received information that a cooperative consumer society headed by local MLA was bringing in smuggled wrist watches from Goa and selling them in the shop of the cooperative society, using the legal cover provided by the bills of purchase of foreign watches from National Cooperative Consumer Federation (NCCF). Custom houses used to sell confiscated wrist watches and other consumer goods to NCCF as per the Government policy, who distributed them to the retail outlets run by individual cooperative consumer societies in the country.

On getting the information about the likely transport of smuggled watches in the car of the chairman of Irchalkaranji co-operative society through Kolhapur to Itchalkaranji (a powerloom centre), we arranged a "nakaband" at the Pune Kolhapur Road. When we noticed the suspect vehicle, we stopped the car. The chairman, who was also MLA, was in the back seat and a small brief case was found in the front seat by the side of the driver. In the dicky, we found a suitcase containing only clothing of the chairman and a bag containing driver's change of clothes. We asked the driver to open the brief case kept by his side. He hesitated and did not reply. On repeated questioning, he revealed that the key to the brief case was with his boss, sitting in the back seat. The MLA was annoyed with us and started shouting that we were dealing with a MLA and the area of our check was not a Customs border. So he would not hand over the key. This confirmed our suspicion. He raised an objection only to opening of the brief case but not his suit case kept in the dicky. By that time, a small crowd also gathered. We noticed that editor of a local newspaper and another hotelier from

Kolhapur in the crowd. We requested them to be present as witnesses for recovery of key from MLA and search of the briefcase. On opening the brief case, more than 250 wrist watches of foreign origin were found in the brief case. When we asked the MLA about the bills and import documents, he told that the briefcase did not belong to him, but to the driver, who can be questioned for these details. All of us, including the witnesses have seen that the MLA produced the key for opening the brief case. Accordingly, the Mahazar for seizure of the wrist watches along with brief case was prepared, which the MLA refused to sign, protesting that the key of the brief case was not produced by him and he had no connection with the briefcase.

However, the two Mahazar witnesses at the end of the Mahazar wrote in their own hand that they witnessed recovery of the key of the brief case from MLA, which they would vouch at any forum. The witnesses also confirmed that on opening the brief case, wrist watches of foreign origin were noticed without cover of any document showing their licit acquisition. They also added that the MLA refused to sign the Mahazar and tried to put the onus on his driver, which the officials did not agree, since it was contrary to the fact. Thereafter, we took the MLA and the driver to record their statements. The driver narrated the whole story as to how his boss used to bring wrist watches from Mumbai and sell them through the coop society, of which he was the chairman. He also revealed the name of the party at Mumbai from whom the present consignment was procured by his boss. This prompted us to contact Mumbai Customs to cause search of the premises at Mumbai. This resulted in the seizure of over 500 wrist watches from the residence of the Consignor, about which we were later informed by Mumbai Customs. However, the MLA was a hard nut to crack. He tried to put the onus on his driver and even suggested that we would be suitably rewarded, if he is allowed to go and he will make his driver own up the watches. This infuriated me. I told him that I cannot be a party to an innocent person being framed and I would inform the editor of local daily – one of the panch witnesses about his attempt at bribing the officers. This made him think that his image would be spoiled, if he is projected by the local daily in bad light. Thus, he finally agreed to own up the wristwatches in his statement with a request not to give publicity to this seizure by issuing press

report. In this case, though, the MLA was imposed a penalty in the Departmental adjudication, he was acquitted by the Court by giving him the benefit of the doubt – This was the first exposure for me, where I had an encounter with a politician. I still wonder what doubt there could have been, when Mahazar witnesses have vouched for the recovery of the key of the brief case from the MLA and that the brief case contained smuggled watches. This seizure was also followed by recovery of unaccounted wristwatches from the coop consumer society at Irchalkaranji, of which the MLA was the chairman. Anyway, these are the ways how the judiciary view, particularly when it relates to the case of a political heavy weight.

From Kolhapur, I got into junior administrative grade, after crossing the efficiency bar and was therefore transferred and posted as Assistant Collector of Customs and Central Excise in charge of Calicut Division. The period spent as superintendent of Central Excise gave me the working knowledge in the field and emboldened me to take over a difficult divisional charge.

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PERIOD SPENT AS ASSISTANT COLLECTOR

CHAPTER

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Calicut division was a combined division, where both Excise and Customs work had to be handled. In this division, I had the first exposure to Customs and Excise work. Malabar Coast is notorious for smuggling, and is also dotted with many minor ports along the coastline. The draconian law of Gold Control Act (now repealed) gave rise to unwanted and unnecessary complaints from gold dealers, particularly from the town of Thrissur. The only area which could give some respite is the sprawling tea estates, and coffee growing areas in Chundel district. Even this area became hot due to the presence of Maoist terrorists headed by a lady leader by name Smt. Kunnikal Ajitha. Though they had no complaint against our department, it became dangerous for our officers in uniform to move in jeeps in that area because quite often they were mistaken for police officers and attacked. Once I had such an experience, The Maoists let us go when our identity was revealed that we were only excise officers.

On my taking charge of the division, I studied the dossiers of long time smugglers operating in the Malabar Coast, before undertaking visits to the Customs preventive parties located there. This gave me an idea of the background of the area and the operators indulging in smuggling in that area.

One unforgettable incident comes to mind, during my first visit to Kasargode, a coastal town on the border of Kerala and Karnataka, controlled by smuggling don by name K.S. Abdullah. After completing my visit to the Customs party office, in the evening, I was sitting in the front verandah of the State Guest House in the evening thinking over the total inadequacy of equipments and manpower to tackle any major smuggling activity; even if it is noticed in front of their eyes. At that time, a person in lungi and kurta, came before me and did a salaam. I asked him who he was and the reason for his visit. To my utter shock, he revealed his name as K.S. Abdullah. He told me that he wanted to see me

because his people told him of the arrival of a young officer who had taken over recently, and who did not make any demands on the local staff in respect of his requirements of food, drink etc. He also told that previously he had come across officers on the verge of retirement, and during their visit to the Customs Party office, the local officers used to collect money from him to meet the visiting Assistant Collector's requirements. He laughed at my mission, and told that there was no point in having this Customs Party consisting of one inspector and four sepoys equipped with a catamaran and two old rifles. He revealed that these Customs personnel are paid another salary by him every month, and are also given a small Customs case every month so that they could justify their existence. When landing of smuggled goods on a large scale was arranged by him, they keep a small portion of the goods for Customs catch and the officers were informed. The major part was cleared to the destination without any interception. This information was provided by their own men, who were registered as Customs Informers and got paid the rewards after seizure of the goods left over by them. He revealed these details and derisively told me that like my predecessors, I should also enjoy the free food and drinks at the Seashore Guest House and pack off to the headquarters.

This challenge thrown at me humbled me, and made me think more seriously. I felt that I have to learn something from what the smuggler told me. When I reached Calicut, I was approached by some members of RSS(Rastra swayam sevak sangh),from Kasargode, who told me that they used to give specific information about the place and time of landing of smuggled goods; but the local Customs Party turned their faces away and did not act on the information. They revealed that they would be able to provide me the information, if I could act on their information without fail. I therefore wanted to try this source. I withdrew all officers from different stations and relocated them with new faces posting them at a central place like Kannanur, Thalachery, and Calicut; I provided them with a vehicle. In each place four to five inspectors and a dozen sepoys headed by a superintendent were posted. The superintendent was provided with a residential telephone funded out of secret service fund. As soon as I received the information, I used to contact the superintendent, who moved to the spot forthwith in the jeep provided for effecting seizure of goods landed.

I made it clear that I wanted to be a face of discipline, information, and seizures, particularly K.S. Abdulla, who could not be found on the spot when an emergency arose, and kept it that way. Emergency

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I made it clear that the Superintendent was accountable and would face disciplinary action if he missed any strike after getting information from me. This method yielded a good number of seizures, particularly covering the major landings arranged by Shri K.S. Abdullah. Though he was put to a great financial loss, he could not be brought before justice, because the persons caught at the spot would not open their mouth implicating him (only during emergency, he was arrested under the law of Preventive Detention and kept in prison for a couple of years and was released when Emergency was lifted).

Another interesting episode on the Central Excise side, while I was in Calicut, is worthy of mention.

Those days, excisable goods could not be removed without the signature of the Central Excise officer on the gate pass, whether they are meant for home consumption within India or for export. One of the textile mills, near Trissur, was visited by me. There was an Inspector posted at the Textile Mills to attend to physical clearance of the goods. After visiting the Range Office in the factory, I was resting in the factory guest house. The local manager of the textile mills called on me. After some general talk, he hesitantly told me that though they were paying a monthly mamool of Rs. 100 to the Inspector, he was not satisfied with it and was demanding Rs. 200 per month. They can go up to Rs. 150 per month and I should talk to the Inspector to accept this amount. I was rather amused at this suggestion. I told him that I had not come there for settling the 'mamool' and suggested to him to stop paying any money to the Inspector. The manager was assured by me of all possible help, in case of harassment by the Inspector. The manager, rather reluctantly, agreed to my suggestion.

After I reached Calicut, I used to get calls from the manager of textile mill that Inspector was not available for signing the gate pass and consignments were held up. I used to arrange deputing the officer from the circle office nearby. This was going on for some days. One day, I noticed a seizure report sent by the Inspector of Central Excise posted at the textile factory, which showed seizure of the whole factory. The offence committed was shown as construction of a toilet, in the vicinity of the bonded godown,

without approval of the ground plan by the Excise department, I knew that this was the outcome of stoppage of mamool by the manager. I immediately called for the steno and dictated an order lifting the seizure. In my order I stated that the construction of a toilet for the convenience of workers cannot in any way affect the activities in the bonded godown. Approval or alterations in the ground plan was a technical requirement for informing the excise department, whether any new machines were installed or a new bonded store room was constructed or any machines were removed. The seizure of the entire factory was therefore not called for. I sent this order directly to the Manager of textile mills, with a copy to the Superintendent of the Range, with my direction to obtain the Inspector's explanation and forward to me. I also informed the Superintendent that the Inspector had been posted for ensuring safeguard of revenue and not for behaving like a sanitary inspector. The infuriated Inspector sent a petition against me alleging that he made out a big case involving seizure of the factory, which case could not be decided by the Assistant Collector but only by the Collector. He alleged that Assistant Collector had therefore committed a grave illegality in lifting the seizure on his own. When this complaint was forwarded to me for my comments, I wrote a detailed report to the Collector and suggested for taking disciplinary action against the Inspector. On getting my report, the Inspector was placed under suspension.

Thereupon, the Inspector rushed to Cochin and pleaded for withdrawing the suspension order. The Collector advised him to seek for pardon for his indisciplined behaviour from me. Thereafter, in the disciplinary proceedings, a penalty of withholding two increments was imposed on him. This gave me the first experience of dealing with a hardcore corrupt officer, who dared complaining against the rightful action taken by me.

My next posting was from Calicut to Kandla Free Trade Zone on deputation. When I travelled from Mumbai-Ahmedabad to Gandhidam along with my wife and the new born son, we found the barren terrain, welcoming us, before the train entered Gandhidam. Fortunately, for the first time, I had the privilege of getting the Government staff quarters, as soon as I landed. This was so due to the fact that no one dared to take up the post, because of

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lack of any amenities for living. However, we found the area to be peaceful and people friendly. There were hardly six units set up in the Free Trade Zone. Barring two of those, the rest were non-functional, because of their involvement in cases of substitution of imported goods by locally procured cheap stuff and diversion of the quality imported goods in the local market. During my period, two more units came to be set up. They also went the same way motivated by the greed for making quick money. So, barring detection of cases against these units and making them non-functional, I did not contribute much to the development of the zone. Moreover, my reputation as a stickler to law and not tolerant to smuggling, kept away entry of any more new units. The Administrator of the zone by name Shri.S. K. Bhattacharya, a retired member of the Board, was not happy by my attitude in booking cases against the newly started units. However, he was kind enough to appreciate my sincerity in pursuing the objective behind the posting of the Assistant collector of customs in the zone. Thus I spent two years in the Kandala Force Trade Zone, preventing new units from resorting to smuggling by way of diversion of duty-free imported goods.

In the meanwhile, I was empanelled for Undersecretary's post in the Ministry of Finance. I was thereafter relieved from Kandla to enable me to proceed to Delhi for taking up the new assignment.

DONNING THE ROLE OF A BABU IN THE SECRETARIAT

CHAPTER
5

When I was empanelled as Undersecretary to the Government of India, I felt elated that I would be the signing authority for the Government notifications issued on behalf of the Government of India. But when I entered North Block to take up my position, I found myself to be a cog in the wheel of government machinery where only officers of and above the level of Joint Secretary have some recognition. For a number of days, I found it difficult to find my way even to reach my room, when three officers of my level had to share the accommodation in one room. Gone were the days when I enjoyed the privilege of a spacious, well-furnished office room as Assistant Collector of Customs. I could not also get into any of the government quarters and had to go in for a private residential accommodation at Hauz Khas in New Delhi. Later I came to know that getting into government quarters at my level was possible only if one had the right connections. I also found that a person is known only by the position he holds in the Secretariat. I found the city to be unfriendly in both climates as also the rank distinction factor.

Fortunately I had the best company of my colleagues and very good bosses, from whom I could learn the nitty gritty of Budget work, namely drafting Finance Bills and Notifications issued in the Gazette of India, Parliamentary Procedures, such as dealing with parliament questions, call attention motions etc. I was posted in the Tax Research Unit of the Central Board of Excise and Customs. My colleagues by name Shri B.K. Agarwal and Shri Patil Kulkarni were with me to deal with all the Budget proposals relating to Central Excise. Shri Kulkarni had a computer brain in revenue estimate. He was an expert in estimating Budget Revenue from Central Excise. Three of us became so close to each other during this period so much so that our families also got closer.

We had to spend more than 12 hours in the office; during Pre Budget months commencing from November to February. As budget day approached, we could not reach home before midnight. As no transport was provided to us, we used to go upto Krishi Bhavan and take a motorcycle-driven vehicle (called phutphutti) and get dropped near I.N.A market. Since Shri Agarwal and I were living in Hauz Khas and Green Park respectively, we used to walk to our home from Laxmibai Nagar in the late hours of the night..

Since 1970 was election year, I had the benefit of learning the work relating to preparation of the Finance Bill for the vote on account Budget presented in February. This enabled me to face the work connected with the regular main budget presented in May that year. We were fortunate to have one Mr. S. Venkataraman as our boss – as director in charge of TRU, and one Mr. K. Narasimhan as member (budget) in the CBEC. Both of them were not only well-versed in budget work, but were also very kind and considerate to us. Because of their benign nature, we did not feel the tedium of work sitting late hours. Our director used to spend his own money to get us food in the night, when our work extended beyond 10 p.m.

In 1970 regular budget, a number of new commodities were brought into the excise net. After intensive study of their growth and revenue potential, we selected these items. We were happy that all the items selected were finally cleared by the Hon'ble Finance Minister, Shri Y.B. Chavan. The Finance Minister, was not an economist but a lawyer, endowed with profound common sense. He was an astute politician, who knew the pulse of the parliament. Among the items we suggested, one was maida which the Hon'ble Finance Minister felt, may not get cleared by the parliament, being an item of mass consumption. However since it had a big revenue potential, he chose to have a prior consultation with the Hon'ble Prime Minister, Smt Indira Gandhi. She wanted to ensure that on account of this levy, ordinary flour mills would not be subject to excise control. For that purpose, another meeting in the PM's office took place, in which I had the opportunity of presenting a sample of wheat flour and Maida, and also ISI specifications for maida, giving information that it can be produced only in big, roller flour

mills and is not capable of being produced in ordinary chakki. After this meeting, Shri Chavan appreciated me and said that my presentation convinced the Prime Minister. She suggested that levy may be introduced as a children's welfare measure, by announcing that proceeds of this levy would be utilised for the uplift of downtrodden children.

Shri Venkataraman, our director, while preparing the budget speech of the Finance Minister relating to Customs and Excise duties, described the Excise levy on Maida, as a small sacrifice to be made by the present generation for the sake of posterity. However, this nice presentation was disturbed by the Department of Economic Affairs, headed by the present Prime Minister Mr. Manmohan Singh, by justifying it as a levy on pastries and cakes, being articles of consumption by the affluent section. This created a furore in the parliament. Members of the opposition bench shouted in the house that it was cruel to call 'maida' as an item of luxury, ignoring the fact that maida is extensively used in pav vada, and buns consumed by poor rickshaw wallahs daily for their breakfast. On account of this stiff opposition, the levy was dropped within a fortnight of its introduction. Shri. Y.B. Chavan told us that by dropping this levy, he could manage to get the other proposals cleared in the parliament.

Shri Y.B. Chavan, though a cabinet minister, was humble and used to address even the officers of my rank with due respect. As undersecretary in TRU, I had many occasions to visit his residence late in the night to get his signature on budget papers before they were sent to the budget security press located at the basement of North Block. Papers relating to budget, being "Top Secret", before the introduction of Finance Bill had to be handled personally by officers of and above the rank of Undersecretary, associated with budget. Because of this requirement, I had many opportunities to visit the Bungalow of the Finance Minister. This made Shri Chavan remember me when papers were sent to him for selecting the name for attending a seminar on taxation held at Tokyo for three months by Japanese International Cooperation Agency, for mid-level officers serving in Asian countries. Thus, TRU, despite being a hotspot and exacting in work, provided me with an opportunity¹⁰

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get acquainted with persons like Shri Y.B. Chavan, and Shri Manmohan Singh, who was then Chief Economic Advisor, associated with the budget. But for my stint in T.R.U; I would not have got the opportunity to get nominated for the taxation seminar held in Tokyo.

During my tenure in T.R.U, I was promoted as Deputy Collector. I was fortunate to get this promotion out of turn along with 1960 batch officers. Though this made me happy, later I found that this created ill feelings amongst my batch mates and the officers whom I had superseded. Since my age was against me; at the end of the day this out of turn promotion did not give me any advantage *vis-à-vis* those whom I superseded. Therefore I could gain back their friendship.

BACK TO THE FIELD ON PROMOTION AS DEPUTY COLLECTOR

CHAPTER
6

On my promotion as Deputy Collector, I was fortunate in getting a posting in the beautiful garden city at Bangalore, under the benign Collector by name Shri E.R. Srikantaiah, under whom I had served at Delhi, when he was Deputy Secretary, Tax Research Unit. In those days, for the entire state of Karnataka, there was one collector of Customs and Central Excise, having only one senior officer – namely Deputy Collector. Between the two of us, we had to cover the inspection and visits to all the Excise and Customs formations in the State of Karnataka.

The period I spent in Bangalore, though only for two years, was a memorable period. During this period, thanks to the full freedom given to me by the Collector, I could gain the experience of running a collectorate. I could travel extensively covering all the formations in the State. When I was in Bangalore, to my surprise, I was selected for Taxation Seminar of Asian Countries conducted by Japanese International Cooperation Agency, at Tokyo. During this period, emergency was declared. I had to deal with detention of smugglers under Preventive Detention Act. My contact with Home Secretary of State Government increased due to this work. Though this weapon was condemned as infringing on individual liberties, only during that period, big time smugglers like Late Haji Mastan, and Late K.S. Abdullah of Kasargode could be put behind the bars. Late Haji Mastan was found and detained at Bangalore, and Shri K.S. Abdullah was located in a hotel at Mangalore. In these operations, I had a role to play in serving the detention orders and securing their detention.

My trip to Japan was my first step I set in the world outside India. I was initially nervous when I landed at Tokyo. But this fear melted away at the airport when the people from Japanese International Cooperation Agency received the delegates. While delegates from

other departments like Income Tax were subject to a stricter scrutiny by Japanese Customs, I was allowed to walk through for the reason that I was from Indian Customs, This friendly treatment was extended by Japanese Customs to Indian Custom officer. Thus I came to notice the international fraternity of Customs officers during my visit to Japan.

All the delegates from different Asian countries were accommodated in the same hotel, which though not a 5-star hotel was a decent middle level one, located near Ginza, a prominent and busy locality of Tokyo. The main traits of Japanese, as I noticed, were their hard work and honesty. In this context, I'm required to recount one of my personal experiences in Tokyo. On the day following our arrival, a dinner was arranged at the Japanese Finance Minister's official residence. Though there were innumerable varieties of food, for a vegetarian like me, there was nothing worthwhile to eat. Even the salad was not to my ticking being laced with some flavour of Soya oil. In order to avoid being noticed as a reluctant participant in the dinner, I was nursing glasses of beer and eating groundnuts provided along with the beer. Thus my belly was full with many glasses of beer and nuts. At that time, I was a novice to alcohol. Therefore, I became unsteady at the end of the dinner. When I got into the taxi arranged for me, I felt sleepy and dozed off till I reached the hotel. After reaching my room, I removed the coat, when I noticed that my wallet containing the Japanese money given to me for my expenses on my arrival and passport were not found in the coat pocket. I was shocked and all the effect of the alcohol went down. I was dazed as to how I could manage the rest of the days and go back to India when I have lost the money and the passport. As I was sitting for an hour in this dazed condition, I heard a knock at the door. When I opened the door, I saw the driver of the cab extending my wallet saying that it had fallen on the seat of the cab. I profusely thanked him, and extended five hundred yen note as a gesture of my gratitude. He refused to accept the money, saying it was his duty. This incident convinced me that sincerity and devotion of the people to the duty could make a country prosperous.

As I said, In Japan, especially those days, I had a lot of difficulties with the food being a Vegetarian; I was virtually living on bread and butter for breakfast, lunch and dinner. Then came the saviour,

who was the Collector of Customs, Karachi – the delegate from Pakistan. His name was Mohammed Razvi. He saw my plight, daily eating only bread. He was my next room occupant, and used to visit my room quite often. I found him to be of a scholarly type. During our discussions, being a Sufi scholar and having imbibed the knowledge of Sanskrit while studying in Aligarh University, he could compare many of the thoughts contained in Quran and the Gita. Moreover, he was well-versed in Customs tariff. Thus, I learnt many ideas for reforming and reconstructing the tariff schedule on account of my discussion with him. All these factors brought him closer to me. After seeing my plight as a vegetarian, he suggested to me that during the weekends, he would take me to his sister's house in the suburb of Tokyo, so that I can have vegetarian food cooked by his sister. His sister's husband was the commercial manager of the Pakistan International Airlines. The couple had one son and daughter. They used to address me as Panditji, because I used to apply Vibhuti on my forehead, even when I was abroad. In their home, I used to have wholesome breakfast of Alu Paratta, pickle and curd, and sumptuous vegetable biryani for lunch and fried rice and raita for dinner. The whole day, we used to play cards and listen to recorded tapes of old Hindi film songs. Thus, I had very enjoyable weekends.



Fig.4: Myself with Shri M.D.Razvi with bald head

After I reached India, I exchanged one or two letters with Shri Razvi, which had to be stopped when on one day, an officer from Intelligence Branch met me and told that though my letters to Shri Razvi did not reveal any adverse factors, it is advisable not to continue the correspondence. It appears that similar advice would have been given to Mr. Razvi from whom I did not receive any response to my letters.

At the conclusion of the seminar, I prepared a paper covering my studies in regard to taxation in other Asian countries and containing my suggestions to the Ministry for reforming the system of excise taxation. This was presented in the seminar.



Fig.5: Myself, presenting the paper in taxation seminar for Asian countries at Tokyo

On return to Bangalore, I had to deal with the impact of new omnibus tariff item No 68 covering all the goods, not elsewhere specified. This new levy threw up many problems, which I could handle with ease, because of my background in T.R.U Budget of 1975 introduced Central Excise levy on branded *biris*, which created an awkward legal situation. On account of this levy, every household in and around Mangalore was required under the law to get the Central Excise license for preparing the bundles of *biris* and labelling them with brand labels of the main manufacturer. This created a furore. Thereupon I visited Mangalore and studied the system of movement of *biris* from the brand owner to the households of out-workers and devised a procedure by which the principal manufacturer owning the brand name could be fastened with the liability to pay duty on the branded *biris*, received from the numerous households, who were freed from excise control. This extra legal procedure was later approved by the Board and notified as Central Excise rules, to give legal coverage.

After 1975 Budget, I hardly stayed for a few months, when I was transferred to Chennai as Additional Collector of Customs, Madras Custom House.

BACK TO CHENNAI CUSTOMS AS ADDITIONAL COLLECTOR OF CUSTOMS

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It was strange that in the Preventive Department where I worked as Preventive Officer, I was posted as its head. This created a situation wherein I had to supervise and guide the officers under whom I earlier worked. I felt a bit awkward in the initial stages, but the way in which I conducted myself without any prejudice or predilection, enabled me to earn their goodwill. The period of two years I spent in Madras Custom House as Additional Collector gave me full exposure in the Preventive work. With my previous background as Preventive Officer, I knew where and which spots are required to be closely monitored by conducting surprise checks so as to keep the officers alert in their performance.

In this posting, I had adjudicated many cases, wherein I encountered some interesting cases.

A baggage case involving seizure of Indian currency valued at Rs. 40000 came up before me for adjudication. In this case, a lady passenger – wife of an Air India employee – was intercepted with Indian currency by a lady security police constable after Customs clearance. This currency was kept in her blouse. During the personal hearing, the lady and her husband appeared. As soon as they entered my room, they started crying. The husband revealed that he was an employee of Air India which got him free ticket to travel to Singapore with his family. Since his wife was with his in-laws in Chennai, he came on the previous day so that both of them could board the flight to Singapore. A week before that there was an announcement in the newspaper that all foreign going passengers would be allowed free foreign exchange to the extent of US \$500 each. So his wife pawned some of her jewellery and raised the money for doing shopping in Singapore. When they approached the State Bank counter in the airport with the Indian currency for converting

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Indian currency into foreign exchange, they were informed that despite the newspaper report, they have not received any official instructions and therefore they were given only \$20 per head as per earlier instructions.

On account of this, they came to be in possession of the Indian money which they could not return to their relatives, who had left the airport after dropping them. They pleaded with the police and Customs for detaining the currency by issuing a receipt so that the currency can be taken back by them on return to India. This was refused by Customs because of non declaration of currency before customs. They also arrested them. He pleaded that if he was prosecuted, he would lose his job in Air India. In order to convince me of his bona fides, he produced the form presented to the State Bank of India for release of \$500 each. This form has been scored by the State Bank of India, altering the figure of \$500 to \$20. This form also bore the seal of the State Bank of India.

This form was also one of the seized documents from the passenger, a copy of which was produced by him. He also produced mortgage receipt for pawning the jewellery. He pleaded that even if this currency was confiscated, he and his wife should not be imposed any penalty, and he should not be prosecuted. After considering his pleadings, and also on perusing the documents, I was convinced that their pleadings were not false, and the case appeared to be genuine. These facts were recorded by me and I held that since the currency has been cleared through Customs area without declaration, it is liable to confiscation and the lady liable to penalty. However, since there have been no malafide, while imposing penalty I was lenient. I also recorded that no prosecution was called for. As per the provisions of Customs Act, goods include currency, and in view of the legal provisions for allowing any confiscated goods to be redeemed on payment of suitable fine, I extended the offer to them for redemption of currency on payment of a fine of Rs. 10,000.

The case file officer, who is an experienced preventive officer, was surprised at the decision I had taken, and stated in the circumstances of the case, it was a just decision, I was happy about my humane approach. However, it gave rise to a complaint against me from the lady police constable, who intercepted the passenger with the

Indian currency. She was expecting a reward of Rs. 4000 (10 percent of the value of the seizure), but was given only Rs. 1000 because that was the amount realised by the Government on account of adjudication by me. Since it was a written complaint by the Police Constable, the Collector called for a report from me. I sent the file of adjudication and referred to my detailed findings, Collector returned the file with the remarks, that in a case of this type, penalty need not have been imposed. Though complaint was closed, I felt I had done injustice to the lady police officer. On my next visit to the airport, I sent word for her and paid Rs. 2000 out of secret service fund, and obtained a receipt. This gesture pleased her and she told that she would continue to keep interest in her work. Thus, I felt that I had done justice to both the sides.

Another interesting case dealt with by me relates to one heart surgeon doctor serving in Sydney. Information was received by me from an anonymous lady caller over phone that this doctor was carrying a diamond necklace of high value, and would be boarding the flight to Australia at Madras airport. I immediately passed on the information to the airport Customs. By the time the said passenger had cleared through Customs and was awaiting boarding, Customs officers rushed to the departure hall intercepted the passenger and brought him back to the Customs enclosure for a personal search. From the coat pocket, a diamond necklace valued Rs. 75,000 was recovered and seized. This case came up before me for adjudication. During the personal hearing, the passenger revealed that he was a heart surgeon serving in Sydney. He had married an Australian girl, and had settled down in that country. He was born and brought up in Coimbatore. He received the message from his brother that his mother was seriously ill and that she wanted to see him. So he had come down to India on a month's leave. He could hardly be with his mother for a week. Before that, she passed away. Before her demise, she gave him the diamond necklace with instructions to give it to his wife as her gift, being the family heirloom. This gesture of his mother was not liked by his sister-in-law, who wanted this ornament also to be given to her. He knew that he had to obtain a Reserve Bank permit for carrying this valuable out of India. Though he applied for the permit, he did not get it before his departure. Thus he had to take the necklace along with him without a Reserve Bank permit. To my surprise he also told that the information must have been received from a lady,

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who was his brother's wife. His only pleading was that the jewellery may be confiscated and even monetary penalty can be imposed, on him but he pleaded that he should not be prosecuted because, if he was convicted, he would lose his Government job in Australia, in addition to facing the possibility of divorce from his Australian wife.

After looking at his credentials as a doctor, I was convinced that he was a qualified heart surgeon. The fact that the information was received from a lady made me believe his version. He also produced evidence of having applied for permit from Reserve bank of India. I, therefore, confined my order to confiscation of the necklace and imposed a penalty of Rs. 5000. I extended an offer to the doctor for redeeming the jewellery on payment of a fine of Rs. 20,000 with the stipulation of taking it back to the town. However, the doctor politely refused the offer saying that he would prefer to give this jewellery to the Government rather than to his brother's wife.

These two cases taught me that justice should be tempered with mercy, taking into consideration the circumstances and bonafides of each case, instead of being mechanical in applying the law uniformly in all cases.

During the first two years of my service as Additional Collector of Customs, madras I had the good fortune of serving under a noble soul by name Shri G. Sankaran. He was a highly principled and honest officer from whom I could gain high ethical standards in life. He was always modest and humble, but very strong in his mental framework. On his departure from Chennai Custom House on transfer to the Ministry, one Shri M.G. Vaidya took over as Collector of Customs. He was a Sanskrit scholar and was very bold and practical in taking decisions. He had a great sense of humour, which could be seen in his noting in the file.

Prior to my joining the Customs House, many poor fishermen and carriers were detained under COFEPOSA. They were minions, who resorted to carrying the smuggled goods for a paltry sum, paid by the big operators. Their detentions had been done to inflate the number of detentions so as to present a splendid performance. I was pained to note that families of these poor detainees had to suffer in the absence of the head of the family. In all such cases, I

took up their cases before the review committee for getting their release. This gesture enabled me to earn their goodwill; many of whom turned informers for customs later.

Having spent two years as Additional Collector of Customs in the Madras Custom House, I got my promotion to the grade of Collector and was posted as Officer on Special Duty in the Ministry of Finance in connection with implementation of the report of Indirect Taxation Enquiry Committee headed by Late Shri. L.K. Jha.

BACK TO
UNIT AS
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BACK TO TAX RESEARCH UNIT AS OFFICER ON SPECIAL DUTY

CHAPTER

8

Posting as officer on Special Duty in Tax Research Unit in the Ministry of Finance took away the charm of my promotion as Collector. I was pushed into a dingy room in North Block without even the basic requirements of table and chair. Everything had to be obtained with Herculean effort. No supporting staffs such as stenographer and clerical assistance were provided. In this condition, I and one Mr. Ramanan, Deputy Director in TRU had to process the Indirect Taxation enquiry, for implementation.

However, with the able assistance of Mr. Ramanan, a comprehensive action taken report was prepared, in which we had proposed rationalisation of Central Excise tariff and extension of Performa credit in selected areas (Performa credit was the precursor to the present CenVat).

An elaborate chart was prepared by us showing the existing rates of Central Excise duty and proposed rate for each commodity, categorising the goods under three groups namely, raw material, intermediate and final product. We proposed the lowest rate structure to raw material, middle level rate structure for intermediates, and the highest rate for final products. At that time, Shri Choudhry Charan Singh was the Hon'ble finance minister.

Shri Charan Singh was known for his conviction in Gandhian economics. He was a protagonist of farmers' cause. When the chart was placed before him for approval of the proposed rate structure with a view to implement the recommendations of the Jha Committee, it became a red rag before a veritable bull. He changed the proposed rates according to his conviction in Gandhian principles. He changed the rate of duty on toothbrush and toothpaste to 100 percent *ad valorem*, on computers to 100 percent and on cinematographic films to 100 percent. He also played havoc

with rates of duty applicable to man-made fibres and yarn and man-made fabrics. His justification was that use of tooth brush and toothpaste should be discouraged and use of neem stick and *dantamanjan* should be encouraged. He viewed computers as labour saving devices, which should not be encouraged because of the availability of huge unemployed population in India. Films were considered by him as spoiling the education of children. Everyone from the secretary down to Commissioner (Tax Research) had to plead with him for reducing the rates on items of consumptions like tooth brush and tooth paste etc. That budget was hated by all the common folk, as it happened in the case of the Budget presented by the interim Government Finance Minister Mr. Liaquat Ali Khan, before partition.

Another instance of his bias against man-made fibre and fabrics was revealed when the Khadi Village Industries Commission sought for excise exemption in regard to processed poly cotton fabrics, which the KVIC proposed to market with the name "*poly vastra*" through various Khadi Bhavans. When the proposal was received, I put up that letter, with a recommendation for giving the exemption asked for, indicating that Revenue loss would not be more than Rs. 10 lakhs. The file went through proper channels to the Hon'ble Finance Minister Mr. Charan Singh. We thought that the proposal would be approved by the FM. I had even prepared the draft exemption Notification and kept it ready. But when the file came back, I was dumb-founded. Shri Charan Singh, in his own hand, wrote the following minutes:

"Polyvastra – preposterous – blasphemy in the name of Gandhiji – Rejected." In order to ensure that KVIC did not moot the proposal again, when Shri Charan Singh was the Finance Minister, I conveyed the minutes of the Finance Minister as they were written without changing a word.

Another incident of his strong conviction in protecting the interest of farmers was noticed in his immediate acceptance of the proposal to abolish the draconian Central Excise levy on unmanufactured tobacco – a levy introduced by British Raj. This measure relieved the farmers of the pressure of Inspector-Raj. When a proposal was received for granting an ad-hoc exemption to heavy duty dumpers

imported for use in a River Valley project, he observed on the file that there are lakhs of labourers languishing without jobs, and there was no need for importing heavy duty dumpers. Thus, he rejected the proposal.

After spending two years in tax research unit, the work connected with the implementation of the Jha Committee, I was informed that the post of OSD has been abolished, and so I had to go back to the field. It was the middle of the academic year, and my first daughter was in 11th – a crucial year for her. I pleaded with the Chairman not to disturb me, till the completion of +2 by her. The chairman, Shri S. Venkatesan, though appreciated my predicament, could not help me because there was no post of Collector available in Delhi. He told me that he would give me the posting in Madurai, which is nearer to my native place, so as to enable me to be of help to my aged father. I accepted this sop provided, though reluctantly.

BACK TO THE FIELD AS COLLECTOR MADURAJ

My posting to Madurai — though it gave happiness to my father — created lot of problems for my two daughters who were in the crucial years of their studies. However, they managed to get through with credit, though could not make it to professional courses. It is a matter of satisfaction that my first daughter, who joined BSC Zoology in Lady Doak College, Madurai, got the Best Outgoing Student award, and later went to Cambridge University with scholarship from Cambridge Nehru Trust and became a PhD in Plant Sciences. My second daughter also went to Cambridge & Leicester Universities on scholarship and my son, who managed to get in to B.E course, chose journalism as his career. He also got a scholarship in journalism in Ohio University. Thus God saved them and protected them in their studies, despite my frequent transfers.

Madurai Collectorate, though not having much revenue potential, had enough headaches. The entire East Coast, from Mahabalipuram to Cape Comorin was within the Customs jurisdiction of Madurai Collectorate. On the Central Excise side, heavy concentration of match factories in the cottage sector were creating problems; because of the requirement of physical control over them and duty collection was through pasting of *banderols*. Daily complaints of harassment by the Inspectors and cases of counterfeiting of *banderols* had to be tackled. On the Customs side, daily passenger traffic at Rameshwaram from Sri Lanka, fortnightly passenger traffic from Singapore at Nagapattinam, and flights arriving at Trichy airport from Singapore and Sri Lanka, were giving rise to a hectic supervisory work. Moreover, Madurai Collectorate was famous (rather notorious) for anonymous complaints.. I created a separate waste bin for throwing such anonymous letters, when wild allegations were made without giving any concrete instances. However, where specific instances were referred to, they were looked into for initiating further action.



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Fig 6: As Collector
Though the hectic schedule
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Formation of major port at Tuticorin necessitated frequent travels to Tuticorin to participate in port meetings to give suggestions regarding the requirement of infrastructure for Customs. The entire coastline was vulnerable to smuggling because of its proximity to Sri Lanka. During that period, LTTE were just gathering influence in Tamilnadu and started using the East Coast for smuggling their requirements from India for fighting against their Government. In the above set-up, when I took over, I felt that it was a Herculean task to set the house in order. Sitting in the air-conditioned room and disposing of the files received would not solve the problem. It can be a safe way of spending the tenure by letting the sleeping dogs lie. I therefore decided to tour the entire collectorate for two weeks in a month – one week in excise formations, and another in sensitive Customs areas. Some of my visits used to be by surprise so that the real situation can be ascertained. The remaining two weeks I spent in Headquarters to clear the files, attend to personal hearings in adjudication matters, meeting the staff union and the trade.



Fig. 6: As Collector of Central Excise and Customs Madurai

Though the hectic schedule kept me on my toes, I got to know each excise and customs formation, and calibre of the persons manning them, this enabled me to look into their requirements of equipments, vehicles etc. I noticed that Coast Guard parties were without vessels or Speed Boats, and shore guard parties were without vehicles. I found quite a number of seized boats lying at Tuticorin and Rameshwaram, and many seized jeeps and vehicles lying in the Headquarters and Divisional Headquarters. I looked into those relevant cases, to ensure

early adjudication. In some cases, they had already been adjudicated and confiscated. All these speedboats and vehicles were ordered appropriation to the Government for use by different Customs parties. On my proposal to the Government for the sanction of new launches and vehicles by showing considerable increase in the value of seizures, I could manage to get some new launches and vehicles. Due to my efforts, Coast Guard organisation also opened their station at Tuticorin. Thus, when I left Madurai on transfer to set up a new Collectorate in Coimbatore, seizure of smuggled goods touched the figure of Rs. 8 crores per annum, as against their value of Rs. 10 lakhs per annum when I took over. On the Excise side, I could, with local intelligence, crack down on the printing presses at Sivakasi printing counterfeit *banderols*. One of the anecdotes connected with these efforts is worthy of sharing.

On one of my visits to the match factories at Sivakasi, I noticed the presence of huge unaccounted *banderols*. On careful examination of these *banderols* they were found to be fake ones. On investigation by headquarters Preventive and Intelligence staff, it was found that the owners of the match factory had a printing press where the fake *banderols* were printed. Inspector of Central Excise, who was exercising physical control over the match factories owned by the printing press, was conniving in the distribution of fake *banderols*. Apart from excise case booked against the match factory, the Inspector concerned was placed under suspension and vigilance proceedings were initiated. In order that the Inspector did not impede the course of enquiry, he was shifted to Madurai for marking his attendance in the Headquarters Office. This Inspector happened to be the grandnephew of one of the ex Member of Parliament belonging to the ruling party. The ex-MP used to boast of his having spent his early years in jail for fighting the British, and that the then Finance Minister was his jailmate. He met me at Madurai and asked me to revoke the suspension order of the Inspector and posting him back at Sivakasi. I told him that it would not be possible at that stage when the investigation was in progress. However, the ex-MP told that if I did not cooperate, I would be met with a transfer out of Madurai. I thought it was an empty threat and ignored it. But to my shock and surprise, a few days later, Chairman of the Board called me over phone, and told

me that the Finance Minister found me to be politically inconvenient in Madurai and therefore desired that I should be transferred out of Madurai, and that I could be given my choice in the place of posting on transfer. It was hardly six months since I took over charge in Madurai. My two daughters, who had already suffered due to my transfer from Delhi, could not be shifted again in the middle of the academic year. Though the Chairman was appreciative of this position, he could not do anything against the wishes of the Finance Minister. I indicated my choice for a posting on the Appellate side in Chennai so that I can avoid getting into trouble again if continued in any administrative post. Moreover, posting in appellate position in Chennai would enable me to visit Madurai for giving personal hearings to the appellants, which would facilitate my periodical visits to my family. Thus, I was getting reconciled to this unexpected transfer. However, Goddess Meenakshi probably did not want to leave me so soon. I got a call from the chairman stating that the Finance Minister had taken over in another Ministry. So the Board would not like to order my transfer, till I complete my tenure.

In yet another case, where I escaped the threat of transfer, relates to a customs case. In that case, a motor car in completely knocked down condition was imported by a ruling party MLA of Mayavaram (now Mayiladuthurai). It was declared as crockery and old clothing. Such imports were carried on in Nagapattinam by traders from Burma Bazaar with the connivance of the local Assistant Collector. On the day of arrival of the vessel, the passengers would walk away with small suitcases without producing the heavy baggage brought by them because of the presence of officers from outside and also likely visits by senior officers from headquarters. During my first visit to Nagapattinam, I noticed this and enquired as to how the passengers bring only small suitcases, whereas in Madras, heavy baggage import was noticed. The Assistant Collector told me that heavy baggage would be taken up for examination on a later date, and they would be kept in the Customs warehouse under lock and seal. I found this arrangement to be somewhat fishy. So, I remained on the following day, locked the warehouse and put my personal seal. I gave directions to the Assistant Collector that notices would be issued

for examination of heavy baggage by the headquarters. I directed the Deputy Collector in the Head quarters to issue the notices specifying the date of examination, and asked him to take the Preventive Staff for examination of the heavy baggage.

On the date of the visit of the Deputy Collector along with Preventive Staff, none came forward to get their goods cleared. The staff had to return to the headquarters without completing their mission. So, another date was fixed. While sending notices to the passengers, summons under Section 108 of the Customs Act were also issued directing their presence on that date. This yielded results, the passengers turned up. As expected, their declaration was found to be totally false. In the case of the Congress MLA, who was one of the passengers, he had imported a car in knocked down condition, his baggage included even the tyres, all of which were stuffed in a big container. A detailed inventory was taken up by drawing a panchanama, and a case of misdeclaration was registered. The Assistant Collector pleaded with the Deputy collector that the MLA had high political connections, and it was desirable not to register a case against him. The Deputy Collector contacted me and sought for my instructions. On my advice, he drew the panchanama so that no attempt can be made to dislodge the case. This created trouble for me. On the following day, I got a call from the Minister of State for Finance directing me to accept the declaration and pass the baggage. I politely informed him that *panchanama* has been drawn and a case has been registered and therefore nothing can be done by me. The Minister threatened me with a transfer to Assam, and I informed him that I would await the transfer order. However, again a miracle happened. That Minister of State was shunted out of the Ministry of Finance and made the Chairman of a public sector undertaking.

There are two important cases, which are worth mentioning, detected during my tenure in Madurai. The road-checking party of Customs at Tindivanam chased and intercepted one jeep, which did not stop at the road block, arranged by them. On search of the jeep, gold bars and wrist watches of foreign origin of high value were recovered from the false bottom under the driver's seat. The driver was found to be from Keelakarai. On

interrogation of the driver, he revealed that he was the brother of a notorious smuggler of Keelakarai, and that these smuggled goods were being taken to Chennai for delivery to a hotel owner in Mannady. This was conveyed through wireless message to Madras Customs by the road-checking party. Thereupon, the Assistant Collector of customs at Chennai arranged for a search of the hotel at Mannady, where they found some smuggled wristwatches, and a notebook containing details of smuggled goods received and disposed of by them.

When the Custom House officers of Chennai were searching the hotel at Mannady, a phone call was received which was taken by the Intelligence Officer searching the Hotel. He heard a voice calling from the other end enquiring about the safe arrival of the jeep sent by the caller from Keelakarai. This was conveyed through wireless to Assistant Collector, Intelligence Unit at Madurai, giving the particulars of telephone number at Keelakarai as well as Mannady. On flashing this message to officers of Customs based at Keelakarai with directions to search the premises revealed by the driver (brother of the smuggler), and to record the Smuggler's statement, the officers at Keelakarai reported that no smuggled goods were found in that residence, and the occupant has stated that he had nothing to do with the watches and gold seized at Tindivanam; he also stated that the driver of the jeep was his brother who was not in good terms with him due to property dispute. He asserted that the jeep intercepted, though registered in his name, was under repair for the past six months. This vehicle has been taken out by his brother without his knowledge after getting it repaired in the previous week. It appeared to me that the statement has been recorded by the local officers of Customs apparently to help the smuggler out of this case. On getting this report, the Assistant Collector, Intelligence Unit, got the particulars of telephone calls made from Mannady to the residence of the smuggler in Keelakarai for the past one year. At that time, there was no STD. The details revealed that every month, there had been two calls between the two places.

The dates of these calls tallied with the dates given by the brother of the smuggler, as the dates when he had earlier carried smuggled goods from his brother for delivery at the hotel at Mannady. When

the above evidence was put across to the smuggler, he reiterated the former statement by telling that his brother might have contacted using his residential phone. Finding that the investigation is leading to a dead end, I thought of a plan to disprove the details given by the smuggler in his exculpatory statements. Since he asserted that the jeep was under repair for the past six months, I hit upon the idea of collecting the diesel bills for the jeep from the petrol bunks at Keelakarai. Since Keelakarai was a small town having only a couple of petrol bunks, it was possible to get these bills. Bills so recovered revealed that the jeep was filled on the dates of phone calls, and that extra diesel was also filled up in cans. This indicated that the jeeps were made ready for a long tour. The owners of the petrol bunk also confirmed the fuelling of the jeep on those dates. Thus the statement of the smuggler to the effect that the jeep was under repair for more than six months could be belied by this positive evidence. Thus the case could be built up for putting the smuggler under COFEPOSA detention, which could stand the judicial scrutiny when the case was fought in the High Court.

Another major case of gold smuggling was detected by officers of Central Intelligence Unit, Madurai. In this case, information was received by them that eight Sri Lankan passengers, who had landed at Trivandrum airport from Dubai, had smuggled out gold bars, concealed on their person. They were heading towards Madurai. Road-blocks were therefore organised covering all the routes, where buses ply between Trivandrum and Madurai. On account of these road blocks, two suspects were located at Nagercoil, two in Tirunelveli, two at Virudhunagar, and two at Tirumangalam, near Madurai. All eight persons of Sri Lankan origin were found to have been cleared through Trivandrum airport. However, on their personal search, nothing was found.

But the Superintendent, CIU, was very firm that they were carrying gold in their body, and they should be taken for X-ray, which involved a detailed procedure. When the Assistant Collector, Intelligence Unit, informed me of this position, it was late in the night. I suggested that all the eight persons may be given dinner before further questioning and secretly told him that laxative tablets may be mixed with the food. This plan worked.

After having their dinner, they felt uneasy and could not control themselves. They confessed to having concealed gold bars in their rectum. They were immediately rushed to the Government hospital, and their stomachs were x-rayed, which showed the presence of the gold bars. One of the classmates from my High School by name Shri Arumugam was the Head Nurse at the Govt hospital. He arranged for the stomach washing of the suspects. My officers had to spend the whole night in the toilet drawing *panchanamas* of the gold bars ejected by the suspects. To my surprise, I found that each had the capacity to hold six gold bars of ten tolas each in their rectum.



Fig.7: Exhibiting the pieces got seized. Myself flanked by Shri R.J.Manohar Additional collector, Shri Varadarajan Assistant collector, Shri Kulandai Superintendent, who got information Shri P.N.Vithaldan Assistant collector (Hqrs)

My tenure at Madurai though was challenging and interesting in many respects, was threatened with transfers which I managed to escape. After this hectic period, I was transferred as collector of Central Excise, Coimbatore essentially to build up the infrastructure for the formation of a new central Excise collectorate in Coimbatore.

EXPERIENCE OF FORMING A NEW CENTRAL EXCISE COLLECTORATE AT COIMBATORE

CHAPTER
10

Because of the frequent threats of transfers, I kept my household belongings to a minimum which can be packed in two wooden boxes. However, at Madurai I could spend my full tenure of three years though frequently threatened with transfers. Thus having spent more than three years in Madurai, I was due for my normal transfer. It coincided with the formation of new collectorates. In Tamilnadu, Madras Central Excise Collectorate was bifurcated – one at Madras and another at Coimbatore to be newly formed. Madurai Collectorate was bifurcated – one at Madurai, purely for Central Excise work, and another at Trichy having only Customs work over the entire East Coast.

I was posted to Coimbatore with direction to form the new collectorate. At Coimbatore, I found that there was hardly any infrastructure except for a small divisional office building. So I had to hire a number of buildings for accommodating many sections in the initial stages. I occupied the Divisional Office building and started functioning. Since there was vacant area adjacent to the Divisional Office belonging to the department, I drew up a plan for construction of Collectorate office in consultation with Chief Engineer, CPWD. With his help, the plan and detailed estimates were drawn up, which were approved by the Department of Expenditure, thanks to my personal visits to Delhi. The construction of the office building was completed within one year. Inauguration of the new building was done by the Chairman of the Board Shri R.C.Misra, though it was earlier planned to be done by the Minister of State for Finance. Within a period of 18 months, the new Collectorate could start in a new building, whereupon the offices located in the hired buildings were shifted to the building. Once the task of commissioning the

new building for the new Collectorate was over, daily routine was not so exacting. I had a pleasant, leisurely life without any major event to report.

Unlike in Madurai, there were no anonymous complaints, nor were there any major cases of duty evasion as was noticed in the match factories of Madurai. I was, however, not destined to enjoy this period of rest and leisure. Immediately after I set up the Collectorate, I was all on a sudden, directed over phone to rush to Madras and take over as Collector of Customs, Madras; I had to rush to Madras from the office itself to catch the afternoon flight so that I can take over before 5 p.m. This hurry, I came to understand, was to enable the relieved officer to take over as Principal Collector of Customs at Kolkata on the same date, on account of the impending threat of Court Stay Orders, preventing the promotions.

CLERK BECOMES COLLECTOR OF CUSTOMS

CHAPTER

11

Return of the Native

After nearly 30 years of my joining the Madras Custom House as an Upper Division Clerk, my posting as Head of the Custom House was a matter of pride and happiness for my father and family.

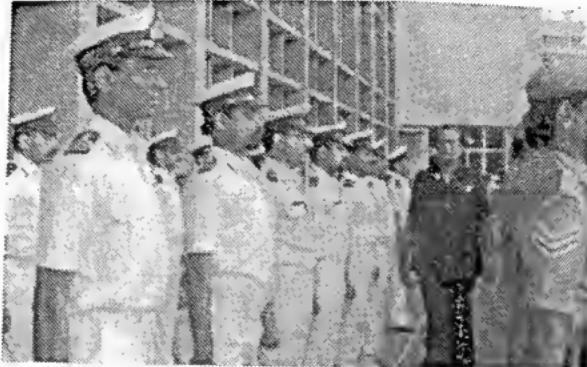


Fig. 8: As Collector of Customs Madras

However, nearly after ten years of leaving the Custom House as Additional Collector, I found a noticeable change over this period in the Custom House, particularly in the loyalty of the staff to their duty. Deep-rooted corruption was noticed in the Departments, where there is daily public contact. Particularly, it was noticed in the Airport passenger clearance and Air cargo dealing with unaccompanied baggage as also in Appraising groups. I found that all the enforcement agencies, namely the Custodian (International Airport Authority), the Police and Customs were found to be under the control of Burma Bazaar mafia, styling themselves as Youth Congress members. I had my first brush with them when I had been to the airport to meet the Finance Minister as per the requirement of protocol. When the chief of the gang met me and introduced himself as President of the Youth Congress, he sought for an appointment with me for discussing the problems relating to

Airport and Air cargo. I directed him to meet me in the office. Meanwhile, on my enquiries with the Air Intelligence Unit, I came to know that he was the leader of Burma Bazaar Traders Association and was quite active in smuggling at the Airport. He was helped by another rowdy-sheeter for brow-beating the honest officers, who were not amenable to their ways.

He and his rowdy assistant, clad in Khadi kurta, met me in the office. They had the audacity to suggest to me that they would ensure more revenue collection through baggage as well as Air Cargo and also look after my requirements, provided I was willing to post the officers named by them at these sensitive spots. I was shocked at the brazen manner in which this suggestion was put across to me. In a fit of anger, I told them that since they indicated that there were some problems, I gave them appointment. If they wanted the officers named by them to be posted at these sensitive places, it is better that the Youth Congress President tried for his posting as Collector of Customs, Chennai. I asked them to clear out of my room immediately. Thereupon, he threatened me that if I did not listen to them they would give trouble to me because of their influence with the ruling party and also with the State Government officials.

Thus my battle with Burma Bazaar gang began, of which I had been forewarned on the day following my taking over. When I visited Kalikambal temple on my taking over, as I was coming out of the temple, I noticed a dignified looking priest chanting Trisidi (Three hundred names of goddess). He beckoned me, and applied kumkum on my forehead and told that I would meet a lot of difficulties including threat to life in my new job. But the Goddess would protect me. I was surprised that he did not ask who I was nor did he know that I had joined as Collector of Customs, Madras. He got this knowledge only the following week, when I visited the temple again next Friday along with my batch mate Shri K. Vishwanathan who was Collector of Customs (Appeal). It was he who introduced me to the Priest as the Collector of Customs who had recently taken over. I came to know that the priest who blessed me was the famous Dr. Sambasivacharyar, Head Priest of the temple. He obtained Doctorate in temple Agama (studies in temple construction and rituals connected with kumbabhishekam) from Bharatidasan University.

During my first surprise visit to Air Cargo, it was lunch time. I noticed that the officers of Customs, Police and International Airport Authority were sitting for lunch. The touts were serving them with sumptuous lunch of biryani and non-vegetarian dishes brought from famous hotels of Chennai. On seeing me, they asked me to participate in the lunch. When I asked them who they were, they could not give a proper answer. I asked the representative from the police and Custodian as to how they managed to enter the security area without a pass, they replied that they are their friends, and they used to serve the lunch brought from their (friends') homes. I politely told them that from the next day, they have to either bring their lunch from their homes, or get it from the canteen located inside the safety area. Later on, I came to know that the persons serving the lunch were the henchmen of the Burma Bazaar gang. This aroused my suspicion about the control of the Burma Bazaar gang over the entire Air cargo area. My discussion with DIG posted in charge of airport security did not yield any result. I came to receive a lot of complaints from genuine passengers that they could not clear their unaccompanied baggages, unless and until they went through these touts. The passengers also reported that in quite a few cases, the goods cleared were not their belongings; but some substituted old clothing and garbage materials. This aroused my suspicion that valuable goods landed and kept in air cargo were substituted with the connivance of the officers. Even in the case of sensitive and valuable items imported by corporate and public sector undertakings, these items were substituted and later on sold to them. However, none dared to come out giving a written complaint, fearing the consequences from the Burma bazaar gang.

Thereupon, I ordered for a complete stock-taking of the abandoned unaccompanied baggage as well as cargo after serving notices to the consignees. When the goods were examined, many of the packages were found to contain bricks, old clothing and packing material stuffed in the packages. This inventory took place for a month. Finally, a list of goods missing was prepared from the Air Consignment Receipts for those items. Their values were estimated in the absence of invoices. A duty demand was issued on the Airport Authority being the Custodian of the goods for having failed to protect custody of the goods till they were cleared out of Customs. There was a big protest from that organisation and the matter went up to the High Court. The Hon'ble High Court, Chennai, dismissed

their writ petition holding that as per the provisions of the Customs Act and terms of the agreement with the Customs Department, the Airport Authority had failed to discharge their statutory obligation and hence they had to face the consequences. On account of this action, officials in Air Cargo looking after Custody of goods were transferred and a fresh batch came. This gave me some strength. Airport security staffs were also changed. Only the police were reluctant to fall in line [Recently, the DIG who was in-charge of the Airport Security was punished, for his involvement in the Telgi stamp paper scam and serving his sentence in prison].

Meanwhile, I my family members and I were receiving threatening calls. This had become a daily routine. The Directorate of Revenue Intelligence, who was monitoring the telephonic conversation of all major smugglers, had intercepted telephonic conversation of the Burma Bazaar gang leader with his assistants; they were complaining to him that things in Air Cargo and Airport were getting difficult for them to operate. They told the leader that because of the induction of new Customs staff at airport and the refusal of Airport Authority (Custodian) to assist them in the activity of substitution, they could not do anything. Then the leader told them that his attempt to transfer me had not materialised and therefore the extreme step of eliminating me had to be resorted to. I came to know later that this recorded tape was played before the then Hon'ble Finance Minister Shri V.P. Singh, who summoned me to Delhi and asked for the reason as to why there was animosity against me nursed by the ruling party members who were insisting on my transfer. I narrated the entire happenings, and told that since the perennial supply of goods smuggled from the airport and Air Cargo to Burma Bazaar had been disrupted on account of my efforts they were enraged.

The Finance Minister called for the Chief of DRI, Shri B.V. Kumar. In the course of the discussions, I suggested that mass raid should be conducted in Burma Bazaar. However, I told that search party should not consist of Customs Officers, but Central Excise and DRI officers. From the Custom House, hand-picked honest officers would only be associated for drawing Panchanama etc so as to conform to the legal requirements. Likewise, North Beach police station should also be kept away from this operation. The Finance

Minister agreed to these proposals and directed Shri Kumar to arrange for the CRPF battalion, and also get the officers on deputation for a period of 10 days from the Excise and DRI formations. Further details were chalked out and only the Additional Collector of Customs Shri N.Rajagopal and ACCIU Shri. Gangadharan apart from me, knew about this operation. The officers selected for the raid were asked to report in a Kalyana Mandapam (Marriage Hall) situated in Egmore on the previous night. They were transported in vans arranged so that they could swoop down on the Burma Bazaar shops immediately after they opened. Some of the storage places where the smuggled goods were being kept for being sold through the retail outlets were also simultaneously raided. There was a big furore and commotion in the area. Officers were pelted with stones. CRPF attacked the traders by the way of retaliation. The Custom House preventive officers and North Beach police station officers were mere spectators seeing their pay-masters being beaten up by the CRPF. The raid continued for ten days. In the entire history of Custom House, it was the first time that the entire Burma Bazaar had been closed for a long time. Daily media reports were pouring in reporting on the arrest of some of the people including the rowdy-sheeter, who was a close aide to the Youth Congress leader. Though there was a lull in their activity after this mass raid, foreign goods were again noticed in the shops. On investigation, it was found that they had shifted their activities to Trichy airport, and were bringing the goods by road.

(It was another sad story that because of the acquiescence and connivance of senior officers at Trichy in helping the Burma Bazaar gang, CBI raided their houses and the Collector of Customs, Trichy, was placed under suspension.)

The efforts of Burma Bazaar gang to remove me by way of transfer did not yield results thanks to the protection given by the then Finance Minister Shri VP Singh. So they resorted to physical attack on me. One day, when I was entering the Air Cargo complex they came with sticks and rods to assault me, however, my thoughtful driver by name Shri Pethaperumal, did not stop at the entrance, but turned the vehicle and entered the tarmac, where the gang could not follow. Through tarmac, I entered the air cargo and called for DIG of Police. He appeared on the scene after more than one hour

and tried to pacify the members of the gang outside by talking to them in a conciliatory tone without arresting them. This showed his connivance. The enraged gang also printed a newspaper in Singapore for the sole purpose of maligning me. This paper was despatched to all the senior Customs officers of different collectorates of Customs and Central Excise. In that paper, it was alleged that my first daughter who was preceding to Cambridge University on Nehru Scholarship was funded by some big assesses in Coimbatore for the favours done to them during my earlier posting. They did not know that her Cambridge education was funded by the Nehru Cambridge Commonwealth Trust. Since one copy of this paper was sent to the Regional office of the CBI, a deputy superintendent of police from CBI came to me for enquiry. Though my next door neighbour was the DIG of CBI, who knew about the award of scholarship, the enquiry was taken up by the Deputy Superintendent, who was presumably not aware of this. I told him about the award of Nehru Scholarship to my daughter and assured him that I would produce the evidence of the same, if he comes the next day. He apologised for inconveniencing me and left.

On the day after the CBI officer's visit, I brought a copy of the letter from the Nehru Trust awarding the scholarship to my daughter. However, the DSP did not turn up. I therefore put up the paper containing allegations against me along with a copy of the letter received from Nehru Trust on the notice board for the benefit of those, who had not received the complimentary copy of the paper. This action further infuriated the Burma Bazaar gang, and they started phoning up my family in the late hours and threatening them. This continued till I departed from Chennai.

I have to mention a major seizure at Vizag when Shri. T.K. Jayaraman was the Additional collector of Customs, Vizag. He later retired as Member of the Tribunal from Bangalore. I am still in touch with him. He is a learned person and I have had fruitful discussions with him on matters of religion and philosophy.

Those days Additional collector of Madras custom house had jurisdiction over Vizag Customs house, where one Additional collector was looking after day to day functions. Collector of customs Madras was required to inspect Vizag customs house and exercise adjudication powers of Collector in the cases arising at Vizag falling

within the powers of adjudication by the Collector. The Collector of Customs was required to exercise general supervision on all matters of Vizag Custom House. Shri T.K. Jayaraman was the Additional Collector of Customs, Vizag, when I was Collector of Customs, Madras. He is a scholarly person, who took his work seriously and created improvements in Vizag Customs House. He was responsible for successful monitoring of investigations into the major case of smuggling in the vessel 'Samrat Ashok'. In this case, electronic goods and textiles valued over Rs. One Crore was concealed in ballast tank, instead of filling the tank with water. This was the biggest seizure at Vizag. In investigation; it was found that captain and chief officer of the ship had made prior arrangements with two customs officers and local fisherman for landing the smuggled goods. Due to the efforts taken by Shri Jayaraman, all of them were detained in COFEPOSA, with my full support. During the same period, there was another big haul of contraband, attempted to be smuggled by L.T.T.E. in Mahabalipuram Coast. In that case the goods were brought in a small tramp vessel from Singapore and attempted to be landed near Neelankarai. On account of this seizure, I had to confront the LTTE persons who threatened our officers, when the officers went to their camp in Indra Nagar, for arresting them. I got them arrested with the help of police, by talking to the Commissioner of Police.



Fig.9:Shri J.K. Jayaraman, Additional Collector Vizag with seized contraband on Board 'Samrat Ashok'

I now recount some of the efforts put on the Appraising side. My attention was drawn to delay in customs clearance of imported goods. I found that in many cases, unwanted queries were raised for delaying the clearance of cargo, which was used as a tool for extracting money from the importers. I, therefore, put up a notice board at the main entrance of the Custom House announcing that if any consignment was held up on account of Customs delay for more than 48 hours, the aggrieved parties could meet me without seeking prior appointment on all working days in the afternoon between 3 p.m. and 5 p.m. On account of this announcement, I had to shoulder a heavy workload. A steady stream of visitors used to come to my chambers putting forth their grievances. I called for the concerned appraiser directly and looked into the objections raised by him. Wherever the objections were not tenable, I used to give written orders on the spot for release of the goods. If the objection was sustainable, and the case needed further investigation, I used to order clearance of the goods provisionally on a bond executed and duly covered by bank guarantee covering the differential duty and penalty/fine amounts. This measure enabled speedy clearance of the goods resulting in decongestion of the port area and also increased realisation of duty. Earlier, on account of the heavy demurrage, due to delay in customs clearance, goods were abandoned. Such abandoned goods, when put to auction, could not fetch any worthwhile amount even to cover the duty. Moreover, on account of abandoning the goods, budgeted revenue also could not be realised.

Before concluding this chapter, it is worthwhile recounting some incidents on the appraising side. Oxford University Press imported geographical atlas in respect of which exemption was claimed as book. However, the group appraiser raised an objection that atlas is not a book, and should be assessed to import duty. In regard to the previous imports, exemption was however allowed. Since the goods were held up, the manager of Oxford University Press met me during the daily evening grievance meeting. When I called for the appraiser to make enquiry, he informed that audit party of the Accountant General had raised an objection that atlas is not a book, and that the appraiser raised this objection to safeguard revenue. I looked into the sample of atlas brought by the appraiser and found that International Book Society Number was printed

on the cover. I also noticed that an exemption was available to imported globes. On account of these factors, I was satisfied that the audit objection is not sustainable and therefore dictated the order giving the reasons for extending exemption. In that order, I noted that I was satisfied that an atlas is nothing but a book of maps, having been recognised as a book by the International Book Society, I also directed that if the audit is not accepting this, this issue may be placed during the quarterly meeting with the Deputy Accountant General (Audit).

During my visit to the docks, I noticed that heavy logs of sandalwood were being allowed export after examination by the Assistant Director of Handicrafts in the presence of Dock appraiser. I was surprised as to how such logs could be allowed as handicrafts. On my enquiry, the Assistant Director, Handicrafts, stated that they were kept in the drawing room as ornamental pieces and he showed some engravings of Ganesha, Jesus, Goddess Lakshmi. These engravings could be seen only through a magnifying glass. However, since the Assistant Director had certified them to be handicrafts, I could not do anything to stop those exports but ordered retention of one sample from each consignment of such logs allowed export. I took up the matter with the Director of Handicrafts and showed him the samples. He agreed with me that they were only logs of sandalwood, and in order to conform to the requirement of handicrafts, they have adopted this method. He promised that he will take up the matter with the Handicrafts Board to prescribe suitable guidelines in the form of Rules for properly identifying handicrafts, to thwart such attempts. When the rules were notified, exporters of such logs revolted against the Director, Handicrafts. In a meeting arranged by him, I was also requested by the Director to participate so as to help him out of the attack. In the meeting, one of the persons showed me an elephant tugging a log of wood, and asked me whether I would detain such consignments. This was a mischievous query. So I had to reply in a mischievous manner. I told him that the entire piece was no doubt a handicraft. However, if it is claimed that the elephant had already gone abroad and the log now being exported was only following the elephant, I would definitely stop that consignment. This reply was much appreciated and the opposition to Rules notified was subdued.

Another incident which got me an opportunity to meet Dr. MG.Ramachandran (MGR), the then Chief Minister (CM) of Tamilnadu, is worthy of mention. Soon after Dr. MGR's neurosurgery treatment in Japan, Dr. Ganu, Dr. MGR's Japanese neurosurgeon, was felicitated at a function held at Madras. In that function, a gold elephant weighing about 2-3 kgs was presented to him. After this function, I was flooded with enquiries from the media, particularly those controlled by opposition parties, asking me whether Dr. Ganu could take the said elephant out of India. I told them that I would not be in a position to answer this query, because Customs jurisdiction commences only when the passenger enters the Customs area and makes a declaration. If the passenger had the Reserve Bank permit for taking out the valuable, Customs would allow. If not, it would be detained. Meanwhile, I enquired from the Personal Secretary to CM as to whether they had obtained Reserve Bank permit for export of the Golden Elephant. He informed that they had taken the permission from the Gold Control Administrator for making the Golden Elephant.

I told him that a Reserve Bank permit would be needed to export any valuable like gold, silver, diamonds etc. He got worried, since no such permit, had been obtained. He took up the matter with the Finance Ministry, to recommend issue of Reserve Bank permit, since Tamilnadu IAS cadre officer by name Shri S.Venkataraman was then Finance Secretary. However, the Finance Minister Shri V.P Singh did not agree to the proposal, because it would be a bad precedent, he told that any valuable cannot leave the country without inward remittance of foreign exchange to cover their value. Thereupon, I looked into the export policy and Reserve Bank instructions, and suggested to the PS to CM that the Golden Elephant should be left behind by Dr. Ganu with the makers of the said elephant, who could later export by filing regular shipping bill; on getting an irrevocable Letter of Credit (LC) opened from abroad, covering the values of the gold elephant. Then it would be a regular export against General Remittance Form, which would ensure inward remittance of foreign exchange. He requested me to come to the Secretariat to explain this position to the Chief Minister, and to help him out of the predicament. On his request, I went to the Secretariat and met Dr. MGR in his office and apprised him of the legal requirements. He was kind enough to accept the proposal.

The Golden Elephant was left behind with the maker of the idol, and later on shipped under a regular shipping bill against an irrevocable letter of credit opened by one of the well-wishers of Dr. MGR. Thus, it reached Dr. Ganu through the consignee of the shipment, who opened the Letter of Credit.

Another pleasant encounter with a great lyricist of those years, Shri Kannadasan, comes to my mind. Before narrating this incident, it is necessary to recount my days in the High School, when I along with my friends, started a hand-written magazine in Tamil, named 'Ezhil'. It was a monthly magazine, where articles were subscribed mainly by my circle of friends. However, in order to procure more renders, we used to get some articles written by famous persons. In that connection, I used to frequent Senthamizh Pathipagam in Pudukottai town which was bringing out a Tamil magazine named 'Ponni'. In that office, Shri Kannadasan the famous writer and lyricist, used to sit and write poems; He was close to the editor of the magazine. Shri Kannadasan was not so famous in those days and was known only in a limited circle. I used to pester him for writing a poem, which could be put in our hand-written magazine. Because of my pestering, he used to call me 'chullan' meaning 'biting ant' in Tamil..

After many years, there arose an occasion to meet him in connection with the International Customs Day celebrations organised in Kalaivanar Arangam. The Staff Union wanted to have the music programme of the famous music director Shri M.S. Viswanathan. They requested me to meet him for arranging the program. Therefore, I met him and requested him to conduct the music program on Customs International Day. He agreed to this request on one condition, that I should invite his friend and mentor Shri Kannadasan, whose compositions he intended to perform in that program. I therefore sought an appointment with Shri Kannadasan and met him in his house. When I entered his room, he stared at me for some time, and asked me whether I had any connections with Pudukottai — my native place. When I replied in the affirmative, he asked me whether I had seen him any time in Pudukottai. I told him that he used to call me Chullan, and that I used to meet him in the office of Ponni magazine. He laughed loudly and embraced me, saying that he was happy to see me as a high-

ranking officer, I replied that he had also risen to a position where every Tamilian knows him and that he has become a household name. This pleasant encounter with a great lyricist of our times still lingers in my mind.

For all the efforts taken and the sufferings endured, I was compensated by the award given by the Finance Minister for outstanding performance in streamlining Customs administration and increasing revenue collection. The function organised at Vigyan Bhavan at Delhi was a happy moment for me, when I received the shield from the Hon'ble Finance Minister Shri VP Singh.



Fig. 10: Receiving the award from Honourable Finance Minister, Shri V.P.Singh

I was also selected in the team sent to Australia for studying the implementation of GATT valuation code. In the meanwhile, I got selected as technical Member in the Customs, Excise and Gold Control Appellate Tribunal and posted to Bombay. Though the order of posting was received in 1987, I was not relieved from Chennai Customs on the grounds that it was necessary to retain me in that post for ensuring realisation of the estimated budgeted revenue from Chennai customs. Though I had to lose the monetary benefit of the higher post for one year, I had the satisfaction of having won the confidence of the higher ups, in my ability to achieve the Revenue target.

TRANSFORMATION FROM EXECUTIVE POST TO JUDGE IN THE TRIBUNAL

CHAPTER

12

Finally, I was relieved from Chennai to join the Bombay bench of the tribunal in July 1988. Though it was a higher post, the institution had been given a raw deal by the Finance Ministry by not providing proper accommodation, staffing and other facilities. The office was housed in a dingy third floor accommodation of a bank building. There were no air conditioners either in the court hall or in the chambers. Most of the days, the lift did not function and we had to climb up to reach our office. The members did not have any monetary powers to purchase the requisite furniture and office equipment and we had to depend on the Registry at Delhi which was totally non-receptive to any ideas for purchase of items required for efficient functioning of the Bench.



Fig 11: Sitting on the bench of the Tribunal with Shri.P.K Desai Member (Judicial) And the President of the Tribunal.

Notwithstanding the above handicap, I found the atmosphere to be totally free from any political interference. Moreover I was completely free of the hassles connected with the executive job of

a Collector. What was required in this job was the capacity to patiently listen to both sides and to take an unbiased decision in conformity with the law. Initially, I had some difficulties in adjusting myself to this new life.

On the first day of sitting I felt restless because I was habituated to be on the move, conducting surprise checks and visiting sensitive sections of the Custom House as well as the docks and the airports. I could hardly adjust myself to sitting at a stretch for hours, listening to the advocates. In the initial period of six months, I had the benefit of learning judicial procedures under my senior member Late Shri Gopal Hegde. Under his guidance, I learnt the nuances of judicial procedure, and also could overcome the revenue bias associated with my earlier executive work. Earlier I used to think that whatever instructions were issued by the Board were sacrosanct, and could not be questioned by anyone. After joining the tribunal, arguments from the advocates made me change this opinion. Since the Tribunal was empowered to overrule the Board's instructions, if they were contrary to the provisions of law, we were emboldened to take decisions setting aside the orders of the Collector, based on the Board's instructions.

When Shri Gopal Hegde retired six months after I joined the Tribunal, I became the senior member of the bench. One, Shri P.K. Desai, from Gujarat judicial cadre, a pleasant and honest man, joined me in the Tribunal as Judicial member. We were on the same wavelength. There were hardly one or two cases where we had differed in our decisions, requiring reference to a third member for decision by majority.

Another notable achievement was that despite the shortage of stenos and considering the volume of work to be handled, there were hardly any application for rectification of mistakes in our orders. Even in the cases that were decided against Revenue most were accepted by the Department. In cases where appeals were filed by Department or Trade, our orders were upheld by the High Court. Before concluding this chapter, I must refer to two cases dealt with by me which are worth mentioning.

One relates to an appeal filed by Lord Balaji through Tirupati Devastanam Board. In that case gold offered by devotees in Hundis, which were sent to Bombay mint for melting and conversion into standard gold bars, was found to contain about sixty gold biscuits with foreign markings. This gold was also mentioned in their application with particulars of markings and their weight, seeking permission to convert the gold into standard gold bars. However, the Central Excise officer posted at the Mint for verification of all such receipts of gold from different sources seized the foreign marked gold biscuits for their unauthorised import, under the provisions of the Customs Act and for illicit acquisition of such primary gold under the Gold Control Act. In the adjudication proceedings that followed the Collector of Customs (Preventive), Bombay, confiscated the said foreign marked gold absolutely under the Customs and Gold Control Acts, and imposed separate penalties of Rs. 5 lakhs each under the aforesaid acts on the Tirupati Devasthanam. During the hearing of the appeal, it was pleaded that the Gold in question which was found in the Hundis collection has been declared with full description and foreign markings, in the application made to the Gold Control Administrator. The said authority had given permission in respect of the Gold for conversion into standard gold bars in Bombay mint and thus the source of legal acquisition has been explained and no offence has been committed by them under the Gold Control Act. It was also pleaded that there could not have been any reasonable belief for construing the gold as smuggled ones, since the said Gold was claimed by Tirupati Devasthanam by proving their legal ownership through Hundis collection. Hence the statutory requirement of establishing the burden of proof that they are not smuggled as required under Section 123 of the Customs Act could not be shifted to the Appellant, especially when the said gold had been declared before the Gold Control Administrator and permission had been given by him for conversion into standard gold bars.

After hearing both sides, we held that there was no case of contravention of any of the provisions of Gold Control Act, since the highest authority administering the Gold Control Act had been informed of the full details of the gold acquired. The authority had given permission for converting the said gold into standard gold bars. Therefore, we held that the proceedings under Gold Control

Act were not legally sustainable. However, as regards the proceedings initiated under the Customs Act, we held that foreign Gold had been established, and that during that period Gold was not allowed import except under Reserve Bank permit, which had not been produced by the appellant claiming ownership of the gold. The said gold was therefore liable to confiscation under the Customs Act. However, taking into account the bonafides of the appellant in acquiring possession of this gold as permitted under the Hindu Religious Endowment Act of Andhra Pradesh, the said gold was allowed redemption on payment of a fine. The penalty imposed on the Tirupati Devasthanam under the Customs Act was also set aside. This decision was acclaimed as a novel judgement by the press. The Department also chose not to go on appeal. Thus, even the Lord Balaji was not spared of the required man-made procedures!

Another case of insignificant value, which was decided by me sitting as a single member relates to a young unemployed Diploma holder in Radio Engineering. After studying radio engineering he was unemployed and living in a rented room in the upstairs of the landlord's house. The said landlord was running a shop selling general merchandise. As a hobby, the young man assembled a radio which was kept in his room. The landlord saw the radio and was much impressed with that. He asked him to sell the radio to him and agreed to pay for the cost of the components and his labour. Thus the landlord who acquired the radio, kept it in his shop. Many customers were attracted by the performance of the radio, and they placed orders with the shop owner, the landlord. Thus, the youth got many orders from the landlord. The components were procured by the landlord and given to him and he did the assembling. This was going on for more than a year. Suddenly one day, Central Excise officers swooped on his room and seized the notebook containing details of components purchased and money received from the landlord for each radio assembled. They also noticed two assembled radios kept in his room. They seized the radios as well. In the proceedings initiated, the Assistant Collector confirmed the demand to the tune of Rs. 40,000 and imposed a penalty for Rs. 10,000. The two radios, that were unaccounted for, were confiscated and allowed redemption on payment of Rs. 1000.

This order, having been confirmed by Collector (Appeals), an appeal was filed by him before the Tribunal. This appeal was placed before me for rejection since it was not filed in proper form, but was in the form of a letter addressed to the Tribunal. During the hearing, the appellant appeared in person. He could not speak English, and pleaded in Hindi. He stated that being unemployed, he could not engage an advocate, and he did not know the format for filing the appeal. He pleaded that if duty was payable by him, he might be given time of one year for paying duty, because the land left behind by his father for conducting his sister's marriage could not be sold at distress. If some time is allowed, he would be in a position to get a better price out of which he would pay the duty and utilise the balance for his sister's marriage. This was the pleading made by him in his letter styled as an appeal. I found that this was a genuine case, where the appellant was telling the truth. His appearance also convinced me that he was unemployed and did not have any other resource. However, under the law, in respect of goods manufactured and cleared without payment of duty, duty demand is to be sustained, if it is issued within the period of limitation. In this case, it was alleged that the manufacturing activity was not revealed to the department on account of which provisions for invoking the extended period of limitation of 5 years were resorted to, for justifying the demand and also for imposition of penalty. It was open for me to dispose of the case by rejecting his appeal holding that extension of time for payment of duty was not within the jurisdiction of the Tribunal and he should approach the Executive authority, and not the tribunal. And since the demand was not contested on merits, I could have held that the order of the lower authority was required to be confirmed.

However, I did not choose this easy way out on seeing the bonafides of the appellant having no legal assistance. I persisted in my questioning as to whether he had at any time informed the Central Excise Department about his activity. In response, he produced two letters with certificates of posting, in which he had written to the Range Superintendent of Central Excise and to Sales Tax officer enquiring whether he is required to pay any Central Excise duty or sales tax. He wanted confirmation that he was not required to pay any tax, because he was only doing the labour of assembling radios, from the components supplied by the land-lord. On seeing this letter,

I asked the Bench clerk to take out photocopies, and to give one copy to the Departmental representative to find out whether such a letter was received in the Central Excise range office and how it was dealt with. I told that I could adjourn the case to another date so as to enable the Departmental Representative to give a report. However, the Departmental Representative Shri K.M. Mondal was fair enough to observe that he was quite satisfied with the bonafides of the letter and it would be very difficult to find this paper from the old records of Range Office. I recorded this submission of the DR, and dictated the order allowing the appeal by setting aside the order of demand as also the penalty, holding that there was no suppression of facts before the Department, who were made aware of the activity carried out by the Appellant. Since the Department had failed to take any action within the normal period of limitation the demand was time barred. Since there was no suppression of facts, penalty also could not be justified. Since the appellant did not want to redeem the radios on payment of fine, I ordered that the radios confiscated can be disposed of by the Department as prescribed under the law. The Appellant who was not well-conversant with English, was still standing waiting for my order. I told him that he was not required to pay any sum to the Government and that he can spend the whole amount of sale proceeds of the land for his sister's marriage. It was an experience where the Appellant prostrated in the open court and left with tears in his eyes.

Though some of my colleagues who came from the Judicial side remarked that I had acted as his advocate, I have the full satisfaction of helping a poor appellant, who did not even know how to file the appeal and did not have any legal assistance. Though I have decided many cases involving high stakes, I consider this small case as worth remembering.

The period of 8 years and 4 months I spent in the Tribunal was in contrast to the hectic periods I spent in the executive life. I consider this as the best period in my career and a fitting finale, because whatever work I did was in the open most of my orders were dictated in the open court. I enjoyed working in Bombay Bench of the Tribunal because Bombay Bar had many legal luminaries. They kept a respectable distance from the Bench and conducted themselves with dignity. If our judgements were praise-worthy,

credit goes to the arguments from both the sides. The department also accepted most of our orders. The Bar was happy, even if they got adverse judgements provided the decisions were based on sound reasoning. Two senior lawyers, who had watched our performance in the open court, had paid compliments to the manner of our working, when we retired, which I have presented below.

behramji mansion,

sir p.m. road,

bombay 400 001

11.6.1975

Dear Mr. Jayaraman,

I know that you were retiring in 1976; yet the news that you will be living so this month came as a terrible shock.

The Tribunal will never be the same again.

I have argued a fair number of cases before you, several times before the CECAT in Delhi, and once or twice in the SCB. I have also argued a large number of cases in the Supreme Court and the High Courts. I have rarely come across a presiding officer even in the so-called superior courts who displayed the quickness, the firmness and the desire to do justice that was your hallmark.

Yours, if I may say so, quickly went to the heart of the matter: you had no time for the dishonest. You, equally, gave relief to honest advocates who may have committed technical breaches of the law.

If you were on the Bench, there was a very rapid, and what's more, a just decision.

I cannot think of any advocate who didn't look forward to appear before you and who will not miss your presence once you retire.

May I, personally, thank you for the many contributions you have shown me and wish you a very happy future.

Yours

H. S. Sankar

25th June 1997

Dear Judge Jagaraman,

your retirement from the Bench is a very well deserved rest for you, but a matter of pang and regret for the Bar. Sir, Time does not heal.

It is a case of greater merit for you that you shaped so exceedingly well as a judge, as you were not drawn from the judicial cadre nor as a member of the legal fraternity familiar with judicial conduct and demeanour.

With kindest regards and wishing you all the best for the new year and many more healthy prosperous years to come.

V. J. Taraporevala

Amar B3, 15 L.D. Building, Mumbai - 400 006, India.
M: 3629483 Fax: 3634918 E-Mail: vjtar@vsnl.com

RETIRED LIFE: PERIOD TO BESTOW ATTENTION ON MY FAMILY

CHAPTER

13

Throughout the 40 years of my service, I could not bestow the desired attention to my family. I did not pay much attention to my children's study, which was also affected by my frequent transfers during crucial periods of their education. However, by God's grace, they have shaped well. Credit for this must also go to my wife for managing the household within my salary and for bringing up the children without pampering them. If I could manage to come clean in the Department, where temptations are many, the credit goes to my wife and my children, who were not of demanding type. I, therefore, felt that I should do something for my family. The house I built at Bangalore hardly left with me any bank balance worthy of mention. After commutation, my take-home pension was Rs. 3500, including Dearness Allowance with which I had to manage. I was wondering how my retired life would be. However, the house "Sai Krupa" built with the grace of Shirdi Baba proved to be a lucky one for us. As we moved into the house, soon after my retirement, I made a decision not to take up any briefs, where I was required to appear for pleading. I was not averse to chamber consultancy assignments from some reputed legal firms in Bombay. They started sending briefs for drafting appeals or for giving opinions on Customs and Excise matters. Income derived from the fees received for the Consultancy service was more than the salary received during my service. I got more than double the salary I got in service, as fees for giving a legal opinion or drafting an appeal. For the first time in my life, I started seeing inflow of money in thousands. Added to this, the report of the 5th Pay Commission enhanced my pension to Rs. 12,000 per month. Whatever I missed doing to my children and wife, I could compensate them with this extra income. I also could complete the unfinished work on my house which was unattended due to paucity of funds.

I was getting briefs for nearly 8 years till I attained the age of 74. Thereafter, my receipts of briefs gradually declined. I also did not like to take up cases involving high stakes. I started writing articles in the law journal to keep my mind active.

When the consultancy income dried up, the recommendation of the 6th Pay Commission came as a boon to me, on account of which my pension was enhanced further. When the door of consultancy income was shut, the window of higher pension was opened. Though, at the time of retirement, I felt that the Government was miserly in giving me a paltry sum of Rs. 5 lakhs as retirement benefits, and a measly sum of Rs. 3500 as pension, now I feel that the Government service is the best one and my 40 years have not been wasted, I am happy that Government has continued to look after me at my old age. Now I need not worry about stoppage of my consultancy work and can devote my time to some other productive work.

I am writing this Epilogue to show that God always helps those who remain upright and honest in their service. In this chapter, I also remember my friends and well wishers, who had been of considerable support to me in my life.

Though I was not financially sound during the period of forty years of service, I am more than compensated by the scholarships extended to my three children for pursuing their studies abroad. My first daughter Sou. Padma got Nehru scholarship and obtained doctorate from Cambridge University. My second daughter Sou. Indu got scholarships from Cambridge and Leicester Universities. My son Chi. Nityanand got scholarship for studying Journalism in Scripps School of Journalism in Ohio University. They are married and settled down in their life. My son-in-law and daughter- in- law are affectionate to us and to their families. What else is required for me in this retired life? Moreover, the government is now giving me a decent pension, which keeps me in good comfort.

Before concluding, I recollect the friends and well wishers, who are still fresh in my memory. In fact, I am still in touch with quite a few of them. First and foremost of them is my life-long friend Shri. Chandrasekaran, about whom I have already mentioned earlier. Now, I want to bring out his stellar qualities. When I was in Mumbai Bench, he did not accept any brief, calling for his appearance before me. He valued my friendship more than his income from his practice. His wife and son consider us as part of their family. We feel no hesitation to go and spend a few days with them.

Another friendship cultivated during my Madras Christian College days is Shri K.Narayan Bhat. He has an export business in leather goods and garments. Only on account of the supervision rendered by him and his wife Smt. Madhura Bhat, I am now having my home 'Sai Krupa'. It was Smt. Madhura Bhat, who was given Power of Attorney by me, supervised the entire construction of my house.

I was only sending her the money realised on sale of my Chennai house (which gave me a lot of trouble and a non-starter), leaving the entire burden of supervision on her. In order to avert any embarrassment to me all his import and export activities through Chennai Port, were diverted to Bangalore, when I was Collector of Customs, Chennai. This act shows that he valued my friendship more than his business interest. Another friend from Madras Christian College days is Dr. M. Narayan Kutty, who served in the United Nations. He is now retired and settled down in Palghat. Whenever I go to Coimbatore, I visit him for a day and spend talking about our college days. His wife is a hospitable lady and looks after us during our visits.

Now I am required to mention about my well-wishers, who came into contact with me and became lifelong friends. Shri N. Subramanian, though studied with me in Pudukkotai Raja's College became closer when I was working as Upper Division Clerk in Chennai Custom House. In fact when Chandran and I had to shift from a lodge due to a police raid, he extended help to both of us, by accommodating us in a room, connected to the typewriting Institute run by him. I was known to his wife, right from their marriage. Whenever I go to their home, I was never allowed by her to go without taking food. It is a pity that she is now rendered immobile, due to some chronic illness. Even in this condition, she shows her hospitable nature, by asking her daughter-in-law to give me lunch.

Another well-wisher and a friend, I cannot forget is the Late Shri Ramachandra Udupa. When myself and Chandran were staying in the room rented out to us by Shri N. Subramanian, we used to have our breakfast and dinner in the hotel opposite, run by Shri Ramachandra Udupa. This grew into a close friendship. We used to go for films (always night shows) almost daily. He used to keep special preparation in his hotel and give us during dinner. When I came back to Chennai in higher capacity, I used to call on him and request him to come with his family for purchase of his requirements from the custom retail shop. But he would refuse, saying that his happiness was in seeing me in the high position in the custom house, where I started as a clerk. He would not like to create any embarrassment or inconvenience to me.

During my tenure as Collector of Customs, Chennai, I came into contact with a devout vaishnavite, who helped me in many ways. He is Shri D.S. Kumar. He is also the relative of Shri Varadhan, a colleague, during my tenure as clerk and preventive officer. Even now he keeps in touch with me. Whenever Lord Balaji chooses to call me, it is through Shri.D.S. Kumar, who helps me in my Tirupathi trips. Whenever I see him, I am reminded of Lord Venkateswara. I still stay in touch with two of my friends, who were my classmates during high school days. One is Shri S.S.Subramanian who retired as Dy.Collector (Revenue)in the state government. He lead a honest life. Whenever I visit my native place, I meet him. Another is Shri Arumugam, who retired as a Head Nurse from Rajaji Hospital, Madurai.

Many of the officers, now holding high positions were either probationers or served as Asst. Colleccts, when I was Collector. There are also officers with whom I worked as Clerk/ Preventive Officer, who stood by me in times of need, when I came as Collector of Cutoms in Chennai. Shri Vithaldas, who was with me in Madurai in charge of Headquarters administrators, is now Member of the Board. Shri B.S.V. Murthy and Shri Najib shah are now in high position. I can not forget the late Shri G. Subramanian, who was a sincere and devoted worker. He stood by me in Madurai in all technical matters. When I joined as preventive officer, Shri.K. Gangadharan also joined. We became close during the period of training. He was Asst. Collector C.I.U, when I was Collector of Customs, Chennai. He would address me as 'Sir' in office and be a friend, when he visits my home by calling me by my name. The other persons with whom I had close contact, were Shri. K. Ramanathan, C. Ram Mohan, K.S. Subramanian, Sivanandhan, K.V. Varadhan and Parthasarathy. They were very affectionate towards me and helped me in times of need. They have risen up in life as honest officers and must be leading a peaceful retired life. Wherever they are, thoughts about the happy days I spent in their company, still linger in me.

The goodwill and affection I had generated during my official life are reflected in the New Year greetings and birthday wishes I receive till date from some of the staff and associates A recent show of affection towards me by the Commissioner of Coimbatore

makes one feel that I am still being remembered even after so many years of my retirement. The present Commissioner of Coimbatore, Central Excise Commissionerate invited me to be the Guest of Honour for the Silver Jubilee celebrations of that Commissionerate. The Commissioner is Shri C. Rajendran, who still remembers with affection, the keen interest I took in training the probationers, when he was a probationer in Chennai Custom House. He is a Tamil scholar and has brought out a book on 'Thirukural', which he presented me during my visit to attend the function.



Fig 12: Shri C. Rajendran and myself during Silver Jubilee function

The warmth of affection is still with the Officers, who had come in contact with me. Two years back, I had been to Pudukotai for vacating my ancestral house, which was earlier occupied by my co-brother. Then two officers of Central Excise by name Shri. Paneerselvam and Shri Innasi stood by me and helped in disposing of the unwanted goods. They are still in touch with me, which shows that individual quality rather his positions can win the hearts of the people.

Before concluding, I must tell about my in-laws. My father-in-law and mother-in-law had been extremely cordial to me as also to my father. It was a great loss to us, when my father-in-law died at the age of 67. Even since my marriage, my mother-in-law replaced the affection of my mother who died at my young age.

She lives with us and we draw our moral support from her. I am also fortunate in getting two affectionate sons-in-law and a loving daughter-in-law.

Thank the Almighty for providing me a peaceful retired life. May God bless all my well wishers.

ANNEXTURE

Meanings of technical jargon used

Jargon	Meaning
Appraising Group:	The place, where goods are assessed to duty, after valuation and classification by officers designated as 'appraisers'.
Banderol:	Label with government emblem printed at Nasik Security press which was required to be pasted on each match box, as an evidence of payment of central excise duty.
Bill of Entry	Document to be persecuted before Customs giving all the particulars of imported consignment for enabling assessment of the imported goods to duty.
Burden of Proof:	Normally, the plaintiff or the complaint is required to produce evidence to support their claim or complaint. This is known as burden of proof. In a prosecution case, Burden is on the Dept concerned to establish the offence. However, in the Customs Act, there is a provision, where goods of foreign origin notified by the Govt are seized anywhere in the country, under a reasonable belief that they are smuggled, it is for the owner or the person who possesses the goods, to establish that they are not smuggled.
Classification:	To determine the tariff entry in the customs tariff for applying in the rate of customs duty.
COFE POSA:	Conservation of Foreign exchange and Prevention of smuggling activities Act enabling preventive detention in jail of those, who are involved in smuggling or foreign exchange violation.

C.B.E.C Central Board of Excise and Customs perusing the letters received immediately after opening and placed before the officer.

Efficiency bar:

a requirement for being eligible to higher grade pay in the pay scale.

Letter of credit:

Letter of credit is the document issued by the Bank, on remittance of the value of goods by the importer in order to enable the exporter to receive the value of goods exported.

Master Weaver:

The person, who reality is the manufacturer of fabrics, by supplying all the materials including the looms, but getting the looms licensed in the name of other persons for availing central excise exemption.

Proforma Credit:

a measure for averting the cascading effect of taxation of inputs, by allowing credit of the central excise duty paid on inputs for utilising the said credit for payment of central Excise duty on final products.

Secret service fund:

Fund provided for purchase of information and miscellaneous expenses connected with anti smuggling activities. This fund is placed at the disposal of collector/ Additional Collector.

Shipping bill:

document to be persecuted before customs, giving the details of goods to be exported, their value, destination etc along with General Remittance form for getting the proceeds of export in foreign exchange.

T.R.U:

Tax Research unit -which is meant for making intensive studies and to propose measures for raising revenue through levy of Central Excise & Customs duties.